

Government That Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

WILDWOOD CITY BOARD OF EDUCATION

DONALD T. DiFRANCESCO
Acting Governor

PETER R. LAWRENCE
Acting State Treasurer

MAY, 2001



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Wildwood City Board of Education

New Jerseyans deserve the best government their tax dollars can provide. Efficiency in government and a common sense approach to the way government does business, both at the state and at the local level, are important to Acting Governor Donald T. DiFrancesco. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. The Local Government Budget Review (LGBR) program was created in 1994 by former Governor Whitman, marking the first time the state worked as closely with towns to examine what is behind those costs. The Local Government Budget Review (LGBR) program's mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service provided by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates, which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, the program was expanded, tripling the number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of each review, team members interview each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the district but do represent the cost of the school system's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective negotiation process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
WILDWOOD CITY BOARD OF EDUCATION**

Administration & Staffing

The team recommends that the district reexamine specific functions of the central office administrators and those of the high school administrators, leading to the elimination of at least one of those administrative positions, saving \$94,000.

The team also recommends that the district eliminate two full-time clerical positions, one from the Glenwood Elementary School and the other from the special education office in the high school, for an additional savings of \$76,000.

The district should consider reducing the high school staff by four teaching positions. If staff reduction is not acceptable, the team recommends that the board consider reducing select full-time positions to part-time or combining two levels of instruction into one class, saving \$183,000.

Technology

The team recommends that the district use the state cost-per-copy contract, saving \$17,674.

Instruction

The team recommends that the district's relationship with the physician be through a professional service contract, saving \$2,000 in additional costs attributable to benefits.

The district could yield an estimated savings of \$40,000, by implementing one of the three recommended options with respect to the athletic trainer position.

Service Contracts

The team recommends that the district discontinue the practice of compensating the board attorney through the payroll system and enter into a third-party professional service contract, saving \$1,181.

Facilities & Operations

By reducing the number of custodial positions by one, and establishing a Tuesday through Saturday shift for a current custodian at the high school, the district could reduce overtime, saving \$35,800.

The team recommends that the district eliminate the assistant supervisor of buildings and grounds position and one of the HVAC/general maintenance positions, saving \$77,000. The team also recommends that the supervisor of buildings and grounds position be re-established as a working plant supervisor. This would meet the ASU standard of one maintenance worker per 107,147 square feet.

The district should consider using the bid process for maintenance supplies, contracts and miscellaneous items, saving \$39,000.

Food Service

The team recommends that the district increase lunch prices to the state level, for a revenue enhancement of \$5,000.

Collective Bargaining Issues

The team recommends that the district negotiate to eliminate the three annual family illness leave days provided under the present contracts, for a potential savings of \$11,743 and a potential productivity enhancement of 296.5 days.

The team also recommends that the district negotiate the elimination of all vacation leave “cash out” provisions, potentially saving \$19,216.

By negotiating to eliminate the annual stipends for licenses and making them a condition of employment, the district could potentially save \$9,550.

The district should consider negotiating a 20% co-pay for dependent coverage and a 50% co-pay for dental insurance, potentially saving \$104,300.

The district should also consider re-evaluating the new stipend schedule to ensure that these stipends are not over generous, potentially saving \$20,000 - \$30,000.

**COMPARISON OF BUDGET APPROPRIATION, STATE AID
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE WILDWOOD CITY BOARD OF EDUCATION**

<u>Areas Involving Monetary Recommendations</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Administration & Staffing			
Eliminate one administrative position	\$94,000		
Eliminate two full-time clerical positions	\$76,000		
Reduce full-time professional positions to part-time positions OR	\$183,000		
Combine two levels of instruction into one class			\$353,000
Technology			
Utilize the state's cost-per-copy contract	\$17,674		\$17,674
Instruction			
Use a professional service contract for physician services	\$2,000		
Implement one of the three options recommended for athletic trainer	\$40,000		\$42,000
Service Contracts			
Use a third-party professional service contract for the board attorney	\$1,181		\$1,181
Facilities & Operations			
Reduce custodian positions by one and establish a Tuesday through Saturday shift	\$35,800		
Eliminate one buildings and grounds and one general maintenance position	\$77,000		
Use the bid process for maintenance supplies, contracts and miscellaneous items	\$39,000		\$151,800
Food Service			
Increase lunch prices to the state level	\$5,000		\$5,000
Collective Bargaining Issues			
Negotiate to eliminate three annual family illness leave days		\$11,743	
Negotiate the elimination of all vacation leave "cash out" provisions		\$19,216	

COMPARISON OF BUDGET APPROPRIATION, STATE AID AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE WILDWOOD CITY BOARD OF EDUCATION

<u>Areas Involving Monetary Recommendations</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Negotiate to eliminate annual stipends for licenses		\$9,550	
Negotiate a 20% co-pay for dependent coverage		\$55,300	
Negotiate a 50% co-pay for dental insurance		\$49,000	
Re-evaluate the new stipend schedule to ensure that stipends are not over-generous		\$20,000	
Total Recommended Savings	\$570,655	\$164,809	\$570,655
*\$164,809 not included in savings of \$570,655.			
Total Amount Raised for School Tax			\$6,348,094
Savings as a % of School Tax			9%
Total Budget			\$11,747,858
Savings as a % of Budget			5%
Total State Aid			\$3,739,068
Savings as a % of State Aid			15%

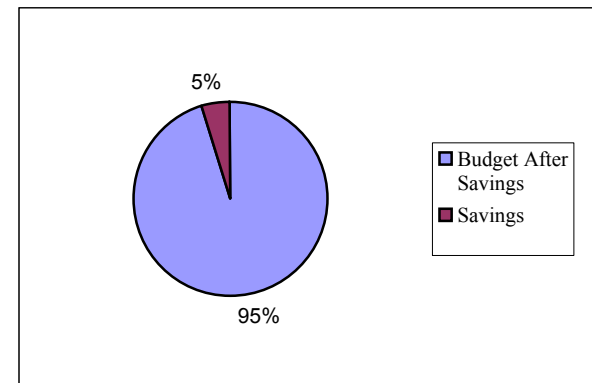
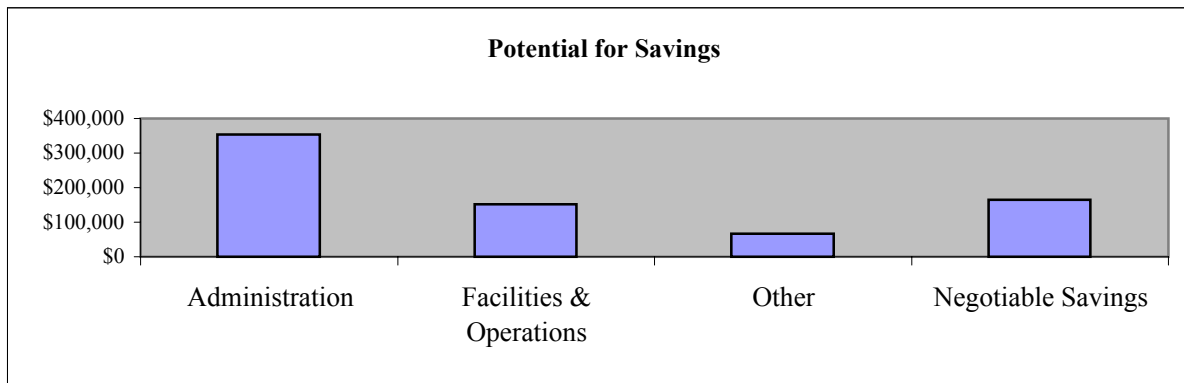


TABLE OF CONTENTS

Preface – Government That Works/Opportunities for Change
The Review Process
Executive Summary
Comparison of Cost/Tax Rate with Recommended Savings

<u>CONTENTS</u>	<u>PAGE</u>
COMMUNITY OVERVIEW	1
I. BEST PRACTICES.....	5
II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS.....	7
COMPARATIVE ANALYSIS	7
ADMINISTRATION & STAFFING	13
TECHNOLOGY	16
INSTRUCTION	24
BUSINESS OFFICE OPERATION.....	42
SERVICE CONTRACTS	60
INSURANCE.....	63
FACILITIES & OPERATIONS.....	67
TRANSPORTATION.....	72
FOOD SERVICE	75
III. COLLECTIVE BARGAINING ISSUES	82
IV. SHARED SERVICES.....	88

COMMUNITY OVERVIEW

The Community

Wildwood City, in Cape May County, is located in the middle of the Wildwoods' Five-Mile Island, bounded on the east by the Atlantic Ocean and on the west by the Grassy Sounds Bay. The city is known for its boardwalk (presently celebrating its 100th birthday) and extensive beachfront. This city offers thousands of vacationers a wide assortment of amusement rides, honky-tonk games of chance, specialty shops, eateries, theaters, nightclubs, coffee houses, street festivals and water parks. Inland waterways provide various water sports, as well as deep sea fishing, whale watching, boating and various excursions. Including more than 2.5 miles of boardwalk and beachfront for sunbathing, fishing, sailing, bicycling, etc., Wildwood encompasses 1.29 square miles and had a population of 4,365 in 1998.

Wildwood City shares the island with North Wildwood to the north, West Wildwood on the bay, Wildwood Crest to the south and a portion of Lower Township at the southern tip. Three commissioners govern the city.

As of 1996, residential land use (2,871 parcels) covered 68% of the land in Wildwood and consisted mostly of single family units, the median value of which was \$77,800 in 1989. Real property valuations were about 42% residential, 31% commercial, 23% apartments and 4% vacant. There was no farming and industry was almost non-existent.

Based on the 1990 U.S. Census data, 77% of the residents of Wildwood are white and 23% are black, Hispanic or of other races. The per capita income for 1989 was \$10,079; the median family income was \$21,707; and there were 1,210 persons in poverty. Educational attainment included 173 with college degrees and beyond, 1,073 high school graduates and 379 persons with 0-8 years of school.

The main industry in Wildwood is tourism, with some fishing. An estimated 100,000+ visitors can be found on the island on a typical day during the traditional ten week tourism season of each year (Memorial Day through Labor Day.) This provides plenty of employment opportunity for the school-aged youth. At the close of the tourism season, the boardwalk businesses, the shopping areas, many of the rooming houses and the beaches begin to close down and they remain closed until the next year's tourism season. Unemployment becomes quite commonplace and a number of rooming houses become occupied by transient families, many of whom are recipients of government assistance. This lends to an unstable and transient population. As a reflection of its low socioeconomic level, single parents, custodial grandparents or legal guardians are raising many children. As much as 25% of Wildwood's year-round workforce is subject to below poverty wages.

The School System

The Wildwood City School System is governed by an eleven member elected school board, which oversees the educational, fiscal and human resources within the district. In addition to the

nine members from Wildwood City, there is also one member representing North Wildwood and another representing Wildwood Crest. These two board members have limited voting privileges due to the fact that they are representatives of districts with a sending/receiving relationship.

The New Jersey State Department of Education (DOE) identifies this district with a district factor group level of "A." District factor grouping is a relative indicator of the socioeconomic status (income, education attainment, etc.) of citizens who reside in the district with "A" being the poorest of districts and "I" and "J" being the wealthiest.

The Wildwood City School System, which is kindergarten through grade 12, currently operates two elementary schools and one high school. The student enrollment in this school system has increased over the past several years:

<u>SCHOOL</u>	<u>GRADE LEVELS</u>
GLENWOOD AVE. SCHOOL	(KINDERGARTEN - GRADE 4)
ELEMENTARY #1 SCHOOL	(GRADES 5 - 6)
WILDWOOD HIGH SCHOOL	(GRADES 7 - 12)

(The Elementary #1 School is located in a single wing of the high school building.)

There is one parochial elementary school on the island in Wildwood and one parochial high school which is located in North Wildwood.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>
1996-97	1,004
1999-00	1,080

In the past four years the student enrollment increased by 76 students (7.1%) and projected enrollment calls for a significant increase over the next several years.

Average daily attendance in all three of the schools is below the state average.

<u>School</u>	<u>Daily Attendance</u>	<u>State Average</u>
Glenwood Ave. School	93.1%	94.9%
Elementary #1 School	93.8%	94.9%
Wildwood High School	88.2%	92.3%

Over 90% of the students in the elementary grades qualify for free or reduced lunches.

Wildwood City's budgeted 1999-00 per pupil cost was \$9,593. According to the NJDOE Comparative Spending Guide, out of 47 New Jersey school systems of operating type K-12/0-1,800 students, Wildwood City ranked 39th (low cost to high cost).

Language, cultural and ethnic diversity in this district is growing. According to the 1999 NJ School Report Cards, at the elementary level, 11% of the students have Limited English Proficiency (LEP). LEP at the high school level decreases to 5%. According to the NJDOE Comparative Spending Guide, as of October, 1999, 23.8% of the students are classified. This is the second highest classification rate of the 47 schools compared, which are of operating type K-12 and have 0 to 1,800 students.

The student mobility rate (SMR) is significantly above the state average in all three district schools.

<u>School</u>	<u>1998-99 SMR</u>	<u>State Average</u>	<u>Difference</u>
Glenwood Ave. School	36.5%	15.5%	+21.0%
Elementary #1 School	37.3%	15.5%	+21.85
Wildwood High School	29.6%	13.7%	+15.9%

Student faculty ratios vary significantly among the three district schools.

<u>School</u>	<u>1998-99 S:F Ratio</u>	<u>State Average</u>	<u>Difference</u>
Glenwood Ave. School	14.6:1	13.7:1	+0.9
Elementary # 1 School	12.8:1	13.7:1	- 0.9
Wildwood High School	9.6:1	11.6:1	- 2.0

Student administrator ratios also vary significantly among the three district schools.

<u>School</u>	<u>1998-99 S:A Ratio</u>	<u>State Average</u>	<u>Difference</u>
Glenwood Ave. School	408:1	330:1	+78
Elementary #1 School	102:1	330:1	-228
Wildwood High School	157:1	187:1	-30

Class Sizes

According to the 1998-99 NJ School Report Cards, class sizes vary greatly in the Wildwood School System, particularly between the Glenwood Avenue School and the Elementary #1 and Wildwood High Schools.

		<u>Average</u>	<u>State Average</u>	<u>Difference</u>
		<u>Class Size</u>	<u>Class Size</u>	
Glenwood Ave. School	Gr. K-4	25.0	21.6	+3.4
Elementary #1 School	Gr. 5-6	14.0	21.6	-7.6
Wildwood High School	Gr. 7-12	13.0	20.9	-7.9

The instructional time in both of the elementary schools is 8 minutes below the state average of 5 hours and 30 minutes. The instructional time at high school is 9 minutes below the state average at 5 hours and 39 minutes.

As of June 1, 2000, the district has 117 certified and 38 non-certified employees; totaling 155 staff members. Staffing structure for the district is displayed on the Organization Chart in the appendix.

The median teacher salary for school year 1998-99 was \$46,592. The median administrator salary was \$64,650. Referencing the NJ School Report Cards for 1998-99, the median faculty salary was \$4,375 below the state median and the median administrator salary was \$22,155 below the state median. Regarding years of experience, Wildwood's faculty median (17) is two years above the state median with the administrator median (24) being two years below the state median.

I. BEST PRACTICES

A very important part of each Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices, which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of effective effort. The following are those best practices recognized by the team for their cost and/or service delivery effectiveness.

Fund Raising

Several non-profit organizations exist in Wildwood City which contribute greatly to the school system. Two such organizations include the Warriors 50 Club and Wildwood Alumni and Friends. The Warriors 50 Club is involved annually in several fund raising initiatives. The primary goal of the fund raising efforts is to support and assist Wildwood's student athletes. This is done by providing financial assistance each year to graduating seniors as well as by providing other forms of financial assistance to the Athletic Department as needed. For example, in the past year the club provided \$27,000 in scholarship money.

The Wildwood High School Alumni & Friends (WHSAF) operates for the benefit of all WHS students by securing funds for educational programs, scholarships, equipment & curricular aids. The securing of funds is done by building links among schools, residents, businesses, government and other organizations. In the past year \$6,500 in donations was received by the school system. The money was used to provide assistance for:

- students participating in a peer leadership conference;
- class field trips;
- participation in a national leadership forum;
- high school classroom instructional enhancements; and
- support for extra-curricular activities.

The Interested Parents, Students and Teachers Association and the Home and School Association both provide assistance for the district, and additional contributions and various forms of assistance are received from a number of local businesses including area banks and the Morey piers.

CLAWS

The CLAWS (Computer Literacy and Writing System) program began about four years ago at the Glenwood Avenue School. This program provides each student with 75-minutes of library time for every six days of school. The CLAWS program was developed in conjunction with a technology literacy grant. The computer and library instruction are combined and taught in

smaller groups. The librarian, the technology teacher, and the classroom teacher partner to instruct students in writing, library, and computer skills. The students learn various software applications and formatting, practice keyboarding, and research topics using the Internet. This program enables the district to infuse technology directly into the curriculum and to optimize the utilization of technology, while focusing on an objective to improve writing skills at the elementary school.

Daisy Batdorf Memorial Fund

The Daisy Batdorf Memorial Fund, in collaboration with local senior citizens, provides breakfast delivery and clean up to all elementary students in the district. This is quite cost effective in that it allows for every elementary student to receive daily a free breakfast. However, the strength of this program is the volunteers and the good will provided to the students, their families, and the senior citizens.

Wildwood Housing Authority

The Wildwood Housing Authority has been very supportive of the Wildwood School System. On at least two occasions the authority has partnered with the school district in applying for and receiving grants. The most recent grant, called the ACE Grant (Access Collaboration Equity) resulted in receiving \$200,000 to establish ACE Centers at the Glenwood Elementary School and the Wildwood High School. These centers are computer labs, which are to be open to the public as well as students after school hours and on weekends.

Another partnership between the school system and the housing authority resulted in receiving a grant used to set up a Computer Aided Instruction for Math and Reading Skills Program for the housing authority children. This grant involved the purchase of 30 computers for the school system to implement the program.

II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the school district and its taxpayers.

In its study, the review team found the district makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The district is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

COMPARATIVE ANALYSIS

Many of the recommendations contained in this report are based upon comparisons of data from districts of similar locality, enrollment size, socio-economic district factor group (DFG), and operating type (i.e., K-6 vs. K-8 vs. K-12). This data is obtained from the districts' 1998-99 Comprehensive Annual Financial Reports (CAFR's), the March, 2000 Department of Education (DOE) Comparative Spending Guide, and the 1999 NJ School Report Cards. The school districts chosen for detailed comparison with Wildwood City include Keansburg Borough, Salem City, and Paulsboro Borough. The district is also compared with all the K-12 school districts statewide with enrollments of less than 1,800 students. (Total of 47 districts.)

Wildwood School District is unique in that it is the only K-12 school district in the state with less than 1,000 students with a district factor grouping (DFG) "A." Salem City and Paulsboro Borough were chosen for the comparative sampling because they are the only other K-12, DFG "A" districts with less than 1,800 students. The team chose Keansburg Borough for the sampling because, although Keansburg had 1,937 students in 1998-99, it is also a K-12 district with a DFG "A"; and, like Wildwood, it is a shore town that has experienced declining rates in recent years.

Table 1 compares revenues and their percentage of total budget from the 1998-99 CAFR with the four similar school districts mentioned previously. What becomes immediately apparent is that the district receives significantly less state funding as a percentage of total revenues than the other districts compared. The district's concerns with state funding are discussed in detail in the finance section of this report.

Table 1								
Wildwood City School District								
Comparison of Revenues								
Based on Audit Report as of June 30, 1999								
	<u>Wildwood City</u>		<u>Keansburg Boro</u>		<u>Salem City</u>		<u>Paulsboro Boro</u>	
Revenues 98-99								
General Fund								
Local Tax Levy	\$6,348,094.00	52.0%	\$3,921,124.00	16.6%	\$1,874,461.00	12.7%	\$3,312,191.00	22.6%
State Aid	\$2,416,307.62	19.8%	\$14,882,598.93	63.0%	\$8,284,733.00	56.1%	\$7,228,679.00	49.4%
Federal Aid	\$3,574.88	0.0%	\$23,582.73	0.1%	\$43,666.00	0.3%	\$24,116.00	0.2%
Tuition	\$1,366,666.00	11.2%	\$0.00	0.0%	\$1,392,987.00	9.4%	\$1,801,125.00	12.3%
Interest on Investments	\$60,570.99	0.5%	\$119,340.08	0.5%	\$0.00	0.0%	\$188,465.00	1.3%
Miscellaneous	\$14,898.67	0.1%	\$47,398.02	0.2%	\$302,137.00	2.0%	\$14,165.00	0.1%
Total General Fund	\$10,210,112.16	83.6%	\$18,994,043.76	80.4%	\$11,897,984.00	80.6%	\$12,568,741.00	85.9%
Special Revenue Fund								
State Aid	\$1,322,760.80	10.8%	\$2,454,576.39	10.4%	\$1,785,860.00	12.1%	\$1,043,739.00	7.1%
Federal Aid	\$663,514.82	5.4%	\$881,668.48	3.7%	\$1,070,479.00	7.2%	\$545,052.00	3.7%
Total Special Revenue Fund	\$1,986,275.62	16.3%	\$3,336,244.87	14.1%	\$2,856,339.00	19.3%	\$1,588,791.00	10.9%
Debt Service Fund								
Local Tax Levy	\$0.00	0.0%	\$638,221.00	2.7%	\$0.00	0.0%	\$168,859.00	1.2%
State Aid	\$0.00	0.0%	\$658,615.00	2.8%	\$0.00	0.0%	\$264,912.00	1.8%
Miscellaneous	\$0.00	0.0%	\$0.00	0.0%	\$11,191.00	0.1%	\$0.00	0.0%
Total Debt Service Fund	\$0.00	0.0%	\$1,296,836.00	5.5%	\$11,191.00	0.1%	\$433,771.00	3.0%
Fiduciary Fund Type								
Miscellaneous	\$14,367.88	0.1%	\$0.00	0.0%	\$0.00	0.0%	\$33,848.00	0.2%
Interest on Investments	\$484.52	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$349.00	0.0%
Total Fiduciary Fund Type	\$14,852.40	0.1%	\$0.00	0.0%	\$0.00	0.0%	\$34,197.00	0.2%
Total Revenues (By Fund)	\$12,211,240.18	100%	\$23,627,124.63	100%	\$14,765,514.00	100%	\$14,625,500.00	100%
Local Tax Levy (General Fund)	\$6,348,094.00	52.0%	\$3,921,124.00	16.6%	\$1,874,461.00	12.7%	\$3,312,191.00	22.6%
Local Tax Levy (Debt Service)	\$0.00	0.0%	\$638,221.00	2.7%	\$0.00	0.0%	\$168,859.00	1.2%
Total Local Tax Levy	\$6,348,094.00	52.0%	\$4,559,345.00	19.3%	\$1,874,461.00	12.7%	\$3,481,050.00	23.8%
Total Other Local Revenues	\$1,456,988.06	11.9%	\$166,738.10	0.7%	\$1,706,315.00	11.6%	\$2,037,952.00	13.9%
State Aid (General Fund)	\$2,416,307.62	19.8%	\$14,882,598.93	63.0%	\$8,284,733.00	56.1%	\$7,228,679.00	49.4%
State Aid (Special Revenue)	\$1,322,760.80	10.8%	\$2,454,576.39	10.4%	\$1,785,860.00	12.1%	\$1,043,739.00	7.1%
State Aid (Debt Service)	\$0.00	0.0%	\$658,615.00	2.8%	\$0.00	0.0%	\$264,912.00	1.8%
Total State Aid	\$3,739,068.42	30.6%	\$17,995,790.32	76.2%	\$10,070,593.00	68.2%	\$8,537,330.00	58.4%
Federal Aid (General Fund)	\$3,574.88	0.0%	\$23,582.73	0.1%	\$43,666.00	0.3%	\$24,116.00	0.2%
Federal Aid (Special Revenue)	\$663,514.82	5.4%	\$881,668.48	3.7%	\$1,070,479.00	7.2%	\$545,052.00	3.7%
Total Federal Aid	\$667,089.70	5.5%	\$905,251.21	3.8%	\$1,114,145.00	7.5%	\$569,168.00	3.9%
Total Revenues (By Source)	\$12,211,240.18	100%	\$23,627,124.63	100%	\$14,765,514.00	100%	\$14,625,500.00	100%
Source: 1998-99 Comprehensive Annual Financial Reports								

General fund expenditures, calculated by account function as percentages of total general fund expenditures, are compared to the other districts in the sampling. The Wildwood School District spends more as a percentage of total expenditures on support services and administrative costs than all of the other districts compared. In addition, the district spends more as a percentage of total expenditures than two of the other three districts in the sampling do for out-of-district tuition, co-curricular activities, athletics, and maintenance. As a percentage of total general fund expenditures, Wildwood spends less for instructional costs, and transportation. Table 2 below lists all expenditures by function for all the districts in the comparative sampling.

Table 2 Wildwood City Comparison of General Fund Expenditures 98-99								
	Wildwood City		Keansburg Boro		Salem City		Paulsboro Boro	
Regular Program Instruction	\$2,759,007.70	28.3%	\$4,994,590.13	27.3%	\$3,120,528.00	27.3%	\$3,648,381.00	30.1%
Special Education	\$633,697.28	6.5%	\$1,496,091.41	8.2%	\$695,901.00	6.1%	\$904,923.00	7.5%
Basic Skills-Remedial	\$0.00	0.0%	\$297,657.70	1.6%	\$169,328.00	1.5%	\$250,102.00	2.1%
Bilingual Education	\$78,429.57	0.8%	\$31,000.00	0.2%	\$27,159.00	0.2%	\$0.00	0.0%
Vocational Programs	\$0.00	0.0%	\$0.00	0.0%	\$292,861.00	2.6%	\$0.00	0.0%
Sponsored Co-Curricular Activities	\$54,374.20	0.6%	\$45,208.10	0.2%	\$67,646.00	0.6%	\$52,767.00	0.4%
Sponsored Athletics	\$225,898.51	2.3%	\$196,145.95	1.1%	\$200,582.00	1.8%	\$339,554.00	2.8%
Other Instruction Programs	\$0.00	0.0%	\$2,920.00	0.0%	\$0.00	0.0%	\$0.00	0.0%
Total Instructional Cost	\$3,751,407.26	38.5%	\$7,063,613.29	38.6%	\$4,574,005.00	40.0%	\$5,195,727.00	42.9%
Tuition (Out-of-District)								
Undistributed Expense - Instruction	\$999,069.13	10.3%	\$2,641,603.49	14.5%	\$912,795.00	8.0%	\$946,363.00	7.8%
Attendance & Social Work Services	\$794.00	0.0%	\$42,858.64	0.2%	\$60,759.00	0.5%	\$32,904.00	0.3%
Health Service	\$82,237.57	0.8%	\$206,838.62	1.1%	\$124,039.00	1.1%	\$157,460.00	1.3%
Support Services-Students-Related	\$42,743.19	0.4%	\$23,034.88	0.1%	\$19,217.00	0.2%	\$65,103.00	0.5%
Support Services-Students-Extraordinary	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$7,563.00	0.1%
Support Services-Regular Students	\$222,221.23	2.3%	\$394,034.49	2.2%	\$263,759.00	2.3%	\$210,449.00	1.7%
Support Services-Special Services	\$288,702.61	3.0%	\$371,837.83	2.0%	\$171,441.00	1.5%	\$301,973.00	2.5%
Improvement of Instruction Services	\$76,796.02	0.8%	\$223,856.06	1.2%	\$105,019.00	0.9%	\$43,959.00	0.4%
Media Services/School Library	\$99,073.73	1.0%	\$219,413.14	1.2%	\$171,297.00	1.5%	\$119,881.00	1.0%
Instructional Staff Training Services	\$12,500.00	0.1%	\$9,492.00	0.1%	\$25,183.00	0.2%	\$32,941.00	0.3%
Total Support Services	\$825,068.35	8.5%	\$1,491,365.66	8.2%	\$940,714.00	8.2%	\$972,233.00	8.0%
General Administration	\$352,709.17	3.6%	\$523,898.01	2.9%	\$398,695.00	3.5%	\$311,199.00	2.6%
School Administration	\$582,645.46	6.0%	\$876,919.68	4.8%	\$573,051.00	5.0%	\$528,769.00	4.4%
Total Administrative Cost	\$935,354.63	9.6%	\$1,400,817.69	7.7%	\$971,746.00	8.5%	\$839,968.00	6.9%
Allowable Maintenance of Facilities	\$235,722.84	2.4%	\$490,533.55	2.7%	\$262,158.00	2.3%	\$250,975.00	2.1%
Other Oper. and Maintenance of Plant	\$719,930.86	7.4%	\$1,165,996.20	6.4%	\$907,647.00	7.9%	\$779,741.00	6.4%
Transportation	\$168,453.68	1.7%	\$755,318.20	4.1%	\$221,085.00	1.9%	\$371,582.00	3.1%
Business & Other Support Services	\$230,034.86	2.4%	\$169,414.76	0.9%	\$276,326.00	2.4%	\$133,461.00	1.1%
Benefits	\$897,244.80	9.2%	\$1,586,992.25	8.7%	\$1,053,944.00	9.2%	\$1,301,640.00	10.7%
On-behalf TPAF Pension Contributions*	\$334,921.00	3.4%	\$496,233.00	2.7%	\$504,053.00	4.4%	\$406,634.00	3.4%
Reimbursed TPAF Social Security*	\$408,825.62	4.2%	\$686,679.93	3.8%	\$491,951.00	4.3%	\$468,041.00	3.9%
Total Other Undistributed Expend.	\$2,995,133.66	30.7%	\$5,351,167.89	29.3%	\$3,717,164.00	32.5%	\$3,712,074.00	30.6%
Total Undistributed Expenditures	\$5,754,625.77	59.0%	\$10,884,954.73	59.6%	\$6,542,419.00	57.2%	\$6,470,638.00	53.4%
Capital Outlay	\$235,330.71	2.4%	\$327,674.36	1.8%	\$329,960.00	2.9%	\$447,684.00	3.7%
Special Schools	\$3,990.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%
Total General Fund Expenditures	\$9,745,353.74	100%	\$18,276,242.38	100%	\$11,446,384.00	100%	\$12,114,049.00	100%
Other Uses of Funds (Food Service)	\$20,031.87	0.2%	\$75,000.00	0.4%	\$0.00	0.0%	\$0.00	0.0%
*TPAF Pension and Social Security are non-budgeted, offsetting revenues and expenditures accounted for by the State, and not the responsibility of the individual district.								
Source: School districts' 1998-99 Comprehensive Annual Financial Report								

The NJDOE Comparative Spending Guide and the NJ School Report Card calculate per pupil spending statewide in 13 different functional categories by district operating type and size. The Spending Guide also ranks districts' per pupil spending from low spending to high. Of the 47, K-12 school districts statewide with enrollments of less than 1,800, the Wildwood School District's per pupil spending ranked in the highest third in all but two categories. Tables 3 and 4 below show costs per pupil for the districts in the comparative sampling and their rankings among the 47 K-12 districts of less than 1,800 students. Again, it should be noted that the Keansburg Borough School District is ranked with the K-12 districts having enrollments between 1,800-3,500 students. Due to economies of scale, the costs per pupil may be lower in districts with larger student populations.

Table 3								
Wildwood City								
Comparison Ranking of Per Pupil Costs								
(Total of 47 Schools)	Wildwood City		Paulsboro Boro		Keansburg Boro		Salem City	
Selected Cost Factors	Amount	Rank	Amount	Rank	Amount	Rank *	Amount	Rank
Cost Per Pupil	\$9,491	41	\$6,747	4	\$7,998	N/A	\$7,635	16
Classroom Instruction	\$5,577	41	\$4,070	8	\$4,958	N/A	\$4,021	7
Classroom Salaries & Benefits	\$5,212	39	\$3,797	8	\$4,623	N/A	\$3,711	7
General Supplies & Textbook	\$276	42	\$224	35	\$258	N/A	\$271	41
Purchased Services & Other	\$89	38	\$49	25	\$77	N/A	\$40	23
Support Services	\$1,110	34	\$822	7	\$1,162	N/A	\$1,013	24
Support Service Salaries & Benefits	\$952	32	\$760	9	\$987	N/A	\$792	14
Total Administrative Cost	\$1,271	43	\$747	3	\$890	N/A	\$1,006	19
Salaries & Benefits for Admin.	\$971	41	\$592	3	\$656	N/A	\$796	21
Operations & Maintenance	\$1,205	43	\$756	10	\$853	N/A	\$955	34
Salaries & Benefits for Operation/Maintenance	\$498	33	\$394	16	\$0	N/A	\$459	28
Food Service	\$32	16	\$51	18	\$0	N/A	\$0	0
Extracurricular Cost	\$293	29	\$295	30	\$135	N/A	\$198	6
Total Equipment Costs	\$253		\$526		\$60	N/A	\$290	
Personal Service-Employee Benefits	16.7%		18.2%		14.8%		15.7%	
Student/Teacher Ratio	10.9 : 1	47	13.8 : 1	13	12.2 : 1	N/A	12.1 : 1	39
Median Teacher Salary	\$46,464	23	\$42,065	8	\$42,332	N/A	\$38,787	2
Student/Support Service Ratio	85.2 : 1	29	87.2 : 1	26	52.3 : 1	N/A	96.0 : 1	17
Median Support Service Salary	\$51,047	26	\$40,728	3	\$39,176	N/A	\$45,537	16
Student/Administrator Ratio	89.1 : 1	47	156.9 : 1	14	182.7 : 1	N/A	139.2 : 1	23
Median Administrator Salary	\$64,650	3	\$69,237	7	\$85,733	N/A	\$73,606	13
Faculty/Administration Ratio	9.2 : 1	46	13.1 : 1	17	18.5 : 1	N/A	13.0 : 1	18
98-99 Budget General Fund Balance vs. Actual	\$200,000	\$436,506	\$1,012,498	\$578,619	\$377,365	\$455,402	\$79,872	\$356,384
99-00 General Fund Bal. in excess of 6%	\$338,446		\$2,519,091		\$283,189		\$73,451	
*Note: Keansburg Borough is ranked with K-12 1,800 – 3,500 schools.								
Source: DOE March, 2000 Comparative Spending Guide & 98-99 School Report Card								

Table 4								
Wildwood City								
Comparison Ranking of per Pupil Costs by Year								
(Total of 47 School Districts)	1997-98*		1998-99			1999-00		
	Actual	Ranking	Actual	% Change	Ranking	Budget	% Change	Ranking
Cost Per Pupil	\$9,349	40	\$9,491	1.5%	41	\$9,593	1.1%	39
Classroom Instruction	\$5,418	38	\$5,577	2.9%	41	\$5,655	1.4%	41
Classroom Salaries & Benefits	\$5,123	39	\$5,212	1.7%	39	\$4,990	-4.3%	32
General Supplies & Textbook	\$206	26	\$276	34.0%	42	\$247	-10.5%	32
Purchased Services & Other	\$89	40	\$89	0.0%	38	\$418	369.7%	47
Total Support Services	\$998	26	\$1,110	11.2%	34	\$1,273	14.7%	39
Support Serv. Salaries & Benefits	\$884	25	\$952	7.7%	32	\$1,097	15.2%	38
Total Administrative Cost	\$1,231	41	\$1,271	3.2%	43	\$1,277	0.5%	44
Salaries & Benefits for Admin.	\$955	41	\$971	1.7%	41	\$982	1.1%	40
Operations & Maint.	\$1,466	47	\$1,205	-17.8%	43	\$1,001	-16.9%	33
Sal. & Benefits for Operat./Maint.	\$473	31	\$498	5.3%	33	\$491	-1.4%	24
Food Service	\$34	17	\$32	-5.9%	16	\$33	3.1%	21
Extracurricular Cost	\$206	13	\$293	42.2%	29	\$347	18.4%	38
Total Equipment	\$92	N/A	\$253	175.0%	N/A	\$129	-49.0%	N/A
Median Teacher Salary	\$46,464	27	\$46,464	0.0%	23	\$49,545	6.6%	28
Median Support Service Salary	\$51,092	35	\$51,047	-0.1%	26	\$55,657	9.0%	34
Median Administrator Salary	\$64,650	3	\$64,650	0.0%	3	\$68,750	6.3%	3
Personal Services-Employee Benefits	15.6%	N/A	16.7%	7.1%	N/A	16.8%	0.6%	N/A
Student/Teacher Ratio	11.2	54	10.9	-2.7%	47	11.1	1.8%	44
Student/Support Service Ratio	78.8	42	85.2	8.1%	29	87.1	2.2%	26
Student/Administrator Ratio	89.6	54	89.1	-0.6%	47	78.3	-12.1%	46
Faculty/Administrator Ratio	9.1	52	9.2	1.1%	46	7.9	-14.1%	46
NOTE: In 1997-98, K-12 Districts less than 1,800 students totaled 54.								
Source: March 1999 & 2000 Comparative Spending Guides								

The NJ School Report Card provides statistical data regarding numbers of students, teachers, and administrators, and their respective ratios. It also includes median salaries, SAT results, and student mobility rate. Table 5 below shows these data in detail.

Table 5				
Wildwood City				
School Data Comparison				
	<u>Wildwood City</u>	<u>Paulsboro Boro</u>	<u>Keansburg Boro</u>	<u>Salem City</u>
<u>Description</u>				
County	Cape May	Gloucester	Monmouth	Salem
District Type	II	II	II	II
Grades	K-12	K-12	K-12	K-12
District Factor Group	A	A	A	A
Certified Employees	113	135	217	139.5
Other Employees	37	81	44	53
Total Employees	150	216	261	192.5
Square Miles	1.2	2	1	2.85
Number of Schools				
Pre School	0	0	0	0
Elementary	2	2	2	1
Middle	0	0	1	1
High School	1	1	1	1
Adult High	0	0	0	0
Alternative School	0	0	0	0
Total Schools	3	3	4	3
Students "On Roll" (98-99)				
NJ School Report Card	980	1412.5	1918.5	1391.5
Student/Teacher Ratio 98-99				
NJDOE Comparative Spending Guide	10.9 : 1	13.8 : 1	12.2 : 1	12.1 : 1
Administrative Personnel 1998-99				
Number of Administrators	11	9	10.5	10
Students per Administrator	89.1 : 1	156.9 : 1	182.7 : 1	139.2 : 1
# Faculty per Administrator	9.2 : 1	13.1 : 1	18.5 : 1	13.0 : 1
Median Salary 1998-99				
Administrators	\$64,650.00	\$69,237.00	\$85,733.00	\$73,606.00
Faculty	\$46,592.00	\$42,065.00	\$42,332.00	\$38,812.00
Median Years of Experience 98-99				
Administrators	24	27	25	21
Faculty	17	13	11	14
Scholastic Assessment Test Results				
Average Math Score 1998-99	480	471	473	490
Average Verbal Score 1998-99	451	390	452	464
Post-Graduation Plans Class of 1999				
4 year College/University	40%	40%	21%	19%
2 year College	40%	35%	30%	27%
Other College	0%	0%	0%	0%
Other Post-Secondary School	3%	7%	3%	5%
Military	0%	0%	0%	0%
Full-time employment	9%	15%	16%	45%
Unemployed	0%	0%	0%	0%
Other	4%	3%	13%	0%
Undecided	4%	0%	17%	4%
	100%	100%	100%	100%
Instructional Time	5:24	5:55	5:53	6:11
Student Mobility Rate	33.3%	24.7%	24.6%	25.8%
Dropout rate	9.3%	4.0%	7.6%	7.8%
Source: 1998-99 NJ School Report Card				

This table shows that, while the Wildwood School District had the fewest number of students and the fewest number of certified and other employees in 1998-99, it also had the highest number of administrators. The district's ratios of students and faculty to administrators are the lowest of the four districts in our comparative sampling. Even though median administrative salaries are the lowest of the four districts, Wildwood has the highest administrative costs both per pupil and as a percentage of total general fund expenditures.

The Wildwood District also has a high student mobility rate. According to the school business administrator, student population is generally at its peak during the beginning of the school year and declines over the winter months. Fortunately for the district, this allows these students to be credited for state funding that results from the October 15th count. The downside is that the lower average daily enrollment that results from the high student mobility rate tends to inflate the cost-per-pupil numbers for the year.

ADMINISTRATION & STAFFING

The Wildwood City School System has the following certificated district-wide administrators:

- one superintendent of schools;
- one business administrator/board secretary;
- one director of instruction and mandated programs;
- one child study team supervisor; and
- one curriculum supervisor.

There are six building administrators consisting of one elementary principal, one elementary assistant principal, one high school principal, one supervisor of attendance and discipline for the high school, one director of guidance and testing for the high school and one athletic director.

The business administrator/board secretary and the director of instruction and mandated programs report to the superintendent. The high school and elementary principals, the child study team supervisor and the curriculum supervisor report to the director of instruction and mandated programs. Also reporting to the director of instruction and mandated programs are the technology coordinator and the evening school director. The supervisor of attendance and discipline, the director of guidance and testing and the athletic director report to the high school principal, and the elementary assistant principal reports to the elementary principal. Reporting to the business administrator/board secretary are the business office staff, the custodial supervisor and the cafeteria manager.

Administrative costs for this district are significantly high, especially when compared to similar school districts. According to the NJDOE Comparative Spending Guide (March, 2000), Wildwood City ranks 44th out of 47 districts (low to high) for total administrative cost per pupil; 46th (low to high) for student/administrator ratio; and 46th (low to high) for faculty/administrator ratio.

According to the 1998-99 NJ School Report Card data, Wildwood's number of students per administrator decreased from 104.7 to 1 in 1994-95 to 89.1 to 1 (for 1998-99). This is significantly below the state average for that year (171.1 to 1). In order for Wildwood to have a student/administrator ratio of 171.1 to 1 (state average) there would have to be at least five less administrators.

The number of faculty members per administrator also decreased during the same time period from 11.1 to 1 to 9.2 to 1. The state average for 1998-99 was 14.1 to 1. To have a faculty/administrator of 14.1 to 1 (state average) there would have to be at least three less administrators.

Even though the median salary of administrators in Wildwood is significantly below the state average, the total administrative cost per pupil is \$355 above the state average, according to the 1998-99 report cards.

Reporting relationships are demonstrated on the Appendix A Organizational Chart.

Recommendations:

The review team recommends that specific functions of the central office administrators and those of the high school administrators be reexamined leading to the elimination, preferably by attrition, of at least one of those administrative positions.

An example of an alternative administrative structure might be as follows:

- **1 Superintendent**
- **1 Business Administrator/Board Secretary**
- **1 Director of Curriculum and Instruction (K-12)**
- **1 Director of Special Services (K-12)**
- **1 Director of Guidance and Testing (K-12)**
- **1 Elementary Principal**
 - 1 Elementary Vice Principal**
- **1 High School Principal**
 - 2 High School Vice Principals**
(Responsibilities including: athletics, extracurricular activities, discipline & attendance)

Cost Savings: \$94,000

Secretarial/Clerical Staff

Clerical positions for the Wildwood School System consist of the following:

Superintendent's Office	1 secretary
Bus. Adm./Bd. Sec.'s Office	1 secretary
Business Office	2 bookkeepers
Special Education	2 secretaries

Guidance Office	2 secretaries
Attendance/Discipline Office	2 secretaries
High School	4 secretaries
Elementary Schools	4 secretaries

As is mentioned above, the administrative cost per pupil in the Wildwood City School System (a part of which is made up of clerical salaries and benefits) is very high when compared to districts of similar size and operation. Many districts, in an effort to minimize these costs engage in cross training for backup support and pooling of secretaries to provide support for work which has peaks and valleys depending on the time of year.

Recommendations:

The review team recommends that two of the clerical positions or (FTE's) be eliminated, preferably by attrition. This could be accomplished by the following actions:

- **Reduce the number of secretaries in the Glenwood Elementary School from three to two. This school has an enrollment of 408 students and the review team is of the opinion that having two secretaries provides for adequate staffing.**
- **There are two secretaries in the special education office (located in the high school) and there is one secretary for the Elementary #1 School (also located in the high school). The Elementary #1 School secretary is located adjacent to the special education office. The Elementary #1 School has an enrollment of only 102 students. It is the opinion of the review team that one of the secretarial positions in the special education office should be eliminated and that the special education clerical work be shared with the Elementary #1 School secretary.**

Cost Savings: \$76,000

Further, it is recommended that extensive cross training of the clerical staff be promoted, and when work is predictably heavy in certain offices, during various times of the day or year, efforts be made to initiate mobility among the clericals to provide assistance.

Professional Staff

According to the School Data Comparison chart, the teacher/student ratio in Wildwood is significantly lower than that of the comparable school districts.

Wildwood	10.9:1
Paulsboro	13.8:1
Keansburg	12.2:1
Salem City	12.1:1

Upon closer examination, it was found that at the Glenwood Elementary School the teacher/student ratio (14.6:1) is actually higher than the state average at the elementary level

(13.7:1), reflecting the unusually large class sizes mentioned earlier in this report.. The lower student/teacher ratios are actually in the Elementary #1 School (12.8:1) and more noticeably at Wildwood High School (9.6:1). (The state average at the secondary level is 11.6:1.)

For Wildwood High School to have a student/faculty ratio of 11.6:1 there would have to be eight fewer faculty members.

Based on a review of the high school grade master schedule listing, there were several areas where smaller class sizes were found to exist.

- Six English classes ranged in class size from four to 10.
- Four world language classes ranged in class size from four to six.
- Four computer science classes ranged in class size from five to 10.
- Thirteen art classes ranged in class size from one to 10.
- Six industrial art classes ranged in class size from one to six.

Recommendations:

A conservative staff reduction for the high school would call for the elimination, preferably by attrition, of four high school teaching positions.

If actual staff reduction is not acceptable to the district, the board should consider reducing select full-time positions to part-time positions. Another option would be combining two levels into one class, where possible, e.g., art, industrial art, world language, etc.

Cost Savings: \$183,000

TECHNOLOGY

Technology spans all organizational areas and provides local governments with numerous opportunities for savings. In school districts, administrators use technology in a dual capacity; to improve organizational productivity and to serve as an instructional tool to prepare students for the future.

Technology Plan

Wildwood's initial technology plan was adopted October 19, 1994. It has subsequently been updated and board approved in June, 1999. Revision to the current technology plan is scheduled for 2001. Technology is a field where hardware and software become outdated almost as soon as the product reaches the market. An effective system for administrators is to review the technology plan biennially. Biennial updates encourage districts to follow the technological advances and often can assist in identifying alternative technologies for the district's needs.

The district does not have an active technology committee. Past technology plans have been developed and documented by a few administrators. The review team feels that the district needs

to develop a broad-based committee that includes staff members from different levels, community members and business leaders to work together in reviewing, developing and implementing technology plans. A diverse technology committee can work to build consensus and support for plans, thereby facilitating their implementation. The board of education has demonstrated support for technology plans with its formal approval and financial support. Commitment to the plan would ensure that the district's expenditures for technology are reasonable. Wildwood City needs a viable technology committee that can provide clear direction, while enhancing appropriate communication and support. Such a committee could also energize the staff to participate in technology training.

Organization

Responsibility for the Wildwood City School District's computers lies within the office of the director of instruction/mandated programs. The director of this office is in charge of all educational technology. The business administrator is in charge of upgrading and maintenance of the business office's technology. The district also employs a full-time network and PC specialist.

Hardware

Through the use of E-Rate discounts the district has been able to install a microwave dish that provides Internet and E-mail connectivity through the County Vocational School. This connection is available at no charge to Wildwood City Schools. In addition, the County Technical School provides a filter that blocks sensitive Internet sites. It is reported to be very reliable and much faster than a phone line connection. Moreover, the district has been able to reduce the number of phone lines that were utilized for Internet access. The business and administrative offices, however, still rely on phone lines for Internet access.

Each building has a server that was installed in 1996. These servers are being replaced during the summer of 2000. In addition, the high school operates a second server that was installed in 1999. Three proxy servers are also being installed during the summer of 2000. These will service the two Wildwood City School buildings and a non-public school partner. The proxy servers control security and access for the system.

Both buildings are wired with CAT5 wire for local area networking. An electrical wiring upgrade of the high school was completed in 1999 and it allows computers and other technology to be used in all areas of the building.

The New Jersey State Department of Education's Comprehensive Plan for Educational Improvement and Financing 1996 Report recommends that districts should provide one computer per five students. Although a current inventory was not available, it was reported that the district operates about 200 computers. With a student enrollment of about one thousand, the Wildwood City School district has achieved this ratio.

Each building's library/media center contains a computer lab. In each library/media center there are 28 computers, a color inkjet printer and a laser printer. The high school building also contains two computer labs, used for the computer classes for grades 7th through 12th. One

computer lab contains 22 computers that were obtained in September, 1999. In addition, this lab contains five additional computers that are five years old. The other lab contains 20 computers that are at least eight years old. These are 386 models that were received from a neighboring district. Only two computers were connected to the Internet. These computers will not support the standard software package that the district provides. Elementary #1 provides a lab that consists of 11 computers that are all five years old.

Technical Support

The PC and network specialist provides all the technical support for the district. Staff submit a work order form and place it in the office mailbox. For emergencies, the staff is able to contact the technician by telephone or pager. The technician is responsible for the computers in each building, and at St. Ann's School.

An earlier LGBR review team study was conducted to determine adequate staffing for support of a general organization with a desktop technology system. This system would include a standardized suite of application, access to file and printer servers and host-based legacy applications. The study has determined that a ratio of technicians to computers should be 1:125. This ratio should be adequate to handle the tasks associated with network administration and computer repairs. Based on this ratio the district should consider hiring an additional technician.

The district could augment this staffing in a variety of ways. For example, staff members who are computer literate could receive specific in-house training. These staff members could handle the more routine problems and services. This group could also provide a turnkey approach by which staff could be training other staff members. Another example would be to have students provide assistance through an organized computer club, providing one-on-one or small group instruction during the school year or summer vacations. Additionally, through internships the district could attract college or County Technical School students who would be capable of meeting the district's needs, for between \$8 and \$17 per hour.

Staff Development

Wildwood City Schools does not have a district-wide plan for staff development. The district needs to make a more concentrated effort to provide technical training. The Cape May County Educational Technology Training Center (ETTC), which is located at the County Technical School, provides a wide array of classes, free of charge, to any district in the county. A list of available services can be seen at www.capemaytech.net/ettc. Staff can go to the ETTC site or training can be provided on site. This is an invaluable resource that Wildwood City Schools should be utilizing to provide the much-needed technical training for its employees.

Grants

The district should be highly commended for actively pursuing several technology grants. During the 1998-99 school year, Wildwood City received an 85% reduction on the E-rate resulting in a \$126,746 rebate. Distance Learning Network Aid provided \$37,802 from the state of New Jersey during the same year. In August, 1998, the district was awarded \$95,000 through the New Jersey Technology Literacy Challenge Fund Round II. This funding allowed the district to purchase 40 computers and upgrade the infrastructure at the high school for Internet

connectivity. In 1999-00, the district, together with the Wildwood City Housing Authority, received a Federal Grant for \$50,000. This grant allowed the district to purchase 50 computers. The district has applied for an ACE (Access, Collaboration, and Equity) grant for \$195,000. If this is approved, the district hopes to build a new computer lab in each building and make these labs available to the community after school hours. In addition, these labs could be used to provide training for district staff.

Purchasing

The district's computers have been purchased through state contracts. The district could realize at least a 25% savings by issuing Requests for Proposals (RFP's). By including hardware specification in the RFP's, the district would maintain uniformity and compatibility. To be effective in this process, the district can rely on the PC and network specialist as well as additional training provided from the ETTC.

Business Use of Technology

The central office currently uses automated data processing for budgetary accounting, payroll, personnel, and student record keeping and scheduling. Overall, the system provides the various modules that the district requires and technical support that is easily accessible and timely. Upgrades occur usually once per year. The staff is satisfied with this system. During the 1998-99 school year, the vendor charged the district \$24,500 for this service.

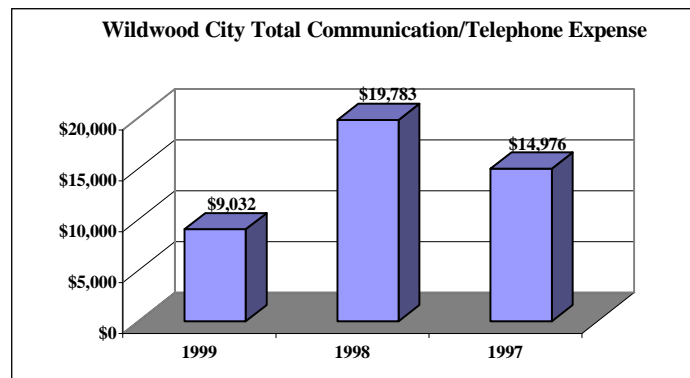
Recommendations:

- **The district should bring together a diverse group of people to serve on a technology committee. Not only would this committee be in charge of the biennial updates to the technology plan, but also it could facilitate staff development and help to improve communication between the committee, the administration, the staff and the board.**
- **The district should maintain an inventory of all hardware and software. This should include serial numbers, location, age of the equipment, and a work order history. Such a listing would facilitate verifying licenses for software and maintaining a work order log. Such a log would assist the district to identify aging or problematic equipment and provide complete documentation for equipment that is still under warranty.**
- **The district should consider increasing the technical services and support staff. The district might achieve this by:**
 - **training staff to assist with routine or simple problems;**
 - **hiring college or technical students on a part-time basis to assist with technical services and support; and/or**
 - **creating a computer club in which students could be trained to assist staff with routine problems.**
- **The district should utilize the services of the Educational Technology Training Center (ETTC). Wildwood City has done an exceptional job of acquiring equipment. It is**

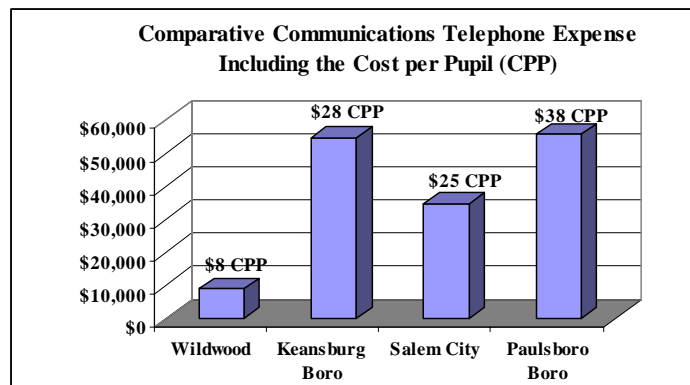
critical that the staff is trained to use this equipment effectively. ETTC offers a wide array of classes that are available to any district in the county at no cost. Wildwood City should be taking advantage of this resource.

- The district should issue RFP's for future computer purchasing. The district may realize as much as a 25% savings from using the state contract vendors.

Communications



A review of the total communications expense that was reported in the Comprehensive Annual Financial Report (CAFR) for the 1997 through 1999 school years shows an expenditure reduction in 1999. This reduction was due to the credits received for E-Rate discount. The communication expense includes charges for telephone service and telephone lines, mobile telephones, pagers, and modems. When comparing communication expense and respective cost per pupil to the similar districts, Wildwood City's expense and the cost per pupil are significantly lower.



Telephone System

The Wildwood City School District and the municipality are to be commended for providing a joint telephone communications system. It has been reported that the system has been in place since 1986. Through the use of a computer card component, the system has been able to itemize each call, identify the origination number and provide a list of all calls with the associated costs. It has been reported that in the 1994-95 school year this component failed, resulting in the

inability of the municipality to provide an itemized billing for the school district's telephone expense. Since 1996-97, the school district has not paid telephone charges associated with this system.

Since the installation of this system, the school district has purchased additional telephone lines. These lines are used primarily for modems and fax lines. The district is invoiced from the service provider for these lines. In addition, through the use of E-Rate discounts, the district has been able to purchase and install a satellite, which provides, at no charge, an Internet connection from the County Technical School. This connection has allowed the district to disconnect several modem lines.

The existing telecommunication system, however, appears fragmented and inefficient. First, since the district does not receive itemized bills for the majority of its telephone service, the district is unable to identify and monitor phones to ensure appropriate usage. Second, additional lines that the district requires are obtained separately, necessitating separate invoicing and reducing the influence of the joint service. Third, only the Glenwood Avenue School has an automated voice mail system. Overall, the district would be better served with a more global and comprehensive telecommunication system.

Currently, the district does not maintain a written policy regarding the use of telephones for employees. A policy should exist which includes appropriate control and accountability for personal calls. The use of restricted lines would assist the district in maintaining accountability. A written policy should also include the use of directory assistance as well as other optional services such as return call (*69) and reverse directory (Call 54).

Suggestions:

- The district should develop written policy and procedures concerning employee use of district phones.
- The district should consider incorporating an automated telephone communication system throughout the district. Not only would this provide a more consistent and effective communication tool, but also it could provide relief for the secretaries, who spend a great deal of time answering the phones. It could also lead to redistribution of some of the work among the clerical staff.
- The district should continue to work with the municipality to provide a global telecommunication system. By working together, the school district and the municipality could realize certain economies and flexibility in design associated only with larger systems.
- The district should consider contacting one or more companies specializing in telephone services to conduct a district-wide audit and evaluation in order to determine the best plan for its needs.

Long Distance Service

The long distance service provider applies a monthly minimum charge of \$9.95 when the long distance billing is less than that minimum. Reviewing the monthly invoices shows that the district rarely incurs any long distance charges from this carrier. It is suggested that the district evaluate this expense to determine if this service and expense is required.

Directory Assistance

Telephone bills were reviewed for local directory assistance calls. The district is to be commended for its limited use of directory assistance. In fact, during the 1999-00 school year, there were only about 60 directory assistance calls made, resulting in a cost of \$80. The district should continue to discourage staff from using directory assistance and encourage the use of telephone books and directory assistance web sites.

Mobile/Cellular Phone

The district has five cellular phones. These phones are used to ensure student safety and are used in case of emergencies. The athletic director distributes these phones to staff. The athletic trainer always possesses one, while the others are distributed on an as needed basis for athletic away games and for school sponsored field trips. The athletic director maintains a user log. He also provides instructions for the use of the telephones. After reviewing several months of invoices, it seems that frequently there is no activity on two of these phones. The district should evaluate annually the number of mobile phones needed. An evaluation of the user log and invoices would assist the district in determining the quantity of cellular phones the district actually needs.

Suggestions:

- The district should develop a written policy identifying the appropriate use of these devices.
- The manager of these phones should monitor the monthly invoices to ensure that the phones are being used according to policy.

Pagers

The district provides eight pagers to district employees, six are issued to maintenance or custodial staff, one to the business administrator and one to the computer technician. The average monthly cost is \$12 per pager.

Coin-Operated Phones

The district provides two coin-operated phones, one at each building. These phones are provided as a service to the community. The phone company provides maintenance and repair. For the use of the Glenwood Avenue School, the district pays a service fee to the phone company. Since the high school coin operated phone is used much more frequently, the district earns a nominal commission on the calls made from this phone. It was reported that the district, on average, receives approximately \$120 annually from commissions.

Photocopiers

Photocopy machines are a major expense for school districts. It is not unusual for districts to make more than half a million copies per month. During the 1999-00 school year, the Wildwood School District spent about \$40,000 for copy machines. The district utilizes 10 photocopiers located at the district's schools and board office. Wildwood City procures 80% of its copiers through a lease purchase agreement. The district owns and provides a maintenance agreement for the remaining 20%.

During June of 1997, the State of New Jersey issued a cost-per-copy (CPC) contract, which is available to all political subdivisions. This contract allows users to pay for photocopies, not photocopiers. The contract is divided into band segments. Several criteria define these segments; among them are the speed of the machine and a monthly minimum number of copies. For example, band segment one is identified as between 12 and 20 copies per minute (CPM) with a monthly minimum of 1,000 copies. Currently, the district pays a monthly lease fee for its copiers. In addition, a couple of machines also incur a monthly cost-per-copy.

Cost-per-copy contracts typically represent significant cost savings over lease purchase agreements. In an effort to compare the cost of the lease versus the cost per copy program, it is necessary to determine the number of copies printed per month. The following table shows the current costs, the annual cost for state contract for cost-per-copy, and the estimated savings.

Location	Monthly Average	Current Model	Estimated Annual Cost	Band Segment	Annual Cost (State Contract CPC)	Yearly Savings
Board/Superintendent	13,200	DC265	\$8,421	4	\$1,827	\$6,594
High School	110,000	5892	\$18,001	8	\$17,736	\$265
	5,000	DC220	\$2,118	2	\$1,290	\$828
Glenwood	10,000	5892	\$9,060	3	\$1,881	\$7,179
	6,000	DC220	\$2,982	2	\$1,548	\$1,434
Elementary #1	1,000	DC214S	\$934	1	\$388	\$546
Child Study Team	5,000	DC220	\$2,118	2	\$1,290	\$828
TOTALS	150,200		\$43,634		\$25,960	\$17,674

The annual cost using the state contract for cost-per-copy is calculated using the district's preferred vendor. It should be noted, however, that this vendor's charges were among the highest in the listing. The district could realize additional savings by utilizing other vendors.

Recommendation:

The district should use the state cost-per-copy contract, within the correct band segments.

Cost Savings: \$17,674

INSTRUCTION

Special Education

The Wildwood City Public School District has 197 students in its Special Education (SE) Program, including 14 who are receiving speech instruction only. Of these 197 students, 50 are from sending districts. Students are distributed throughout the district's three schools in 15 resource rooms and one self-contained classroom.

For students with moderate needs, pullout support classes utilizing aides are available. Courses are augmented by mainstreaming the students with in-class support, or placing them in pullout replacement classes.

Out-of-district placements for the SE students are made in both public and private educational centers; including the Cape May County Special Services School District, the Willow Glen Academy of New Jersey, Inc., the Devereux Foundation, the Somerset Hills School at Warren County, and the Ranch Hope for Boys. Also, in the 1998-99 school year, there were several students placed by the courts or other agencies in state facility settings. For physical and occupation of therapy and one-to-one aides, services are provided by Cape May County Shared Services.

The Cape May County Technical High School is also available to eligible students on a shared time basis. After one year of enrollment in a self-contained shop, placement and future attendance is dependent upon student accomplishment and proficiency. Students with disabilities requesting full-time enrollment are required to be fully mainstreamed for academics and must meet the HSPT requirements for graduation.

There is currently one Child Study Team (CST) for the district composed of one full-time psychologist, one full-time social worker, one full-time Learning Disability Teacher-Consultant (LDT-C), and one part-time LDT-C. The program also includes 16 special education teachers, five instructional aides, one speech-language specialist, and two CST clericals. The part-time CST member, as well as the speech-language specialist, share their time at a non-public school.

The team was advised through interviews with board members that over the past 10 years approximately 40% of the classified students have been returned to the district from out-of-district placements. It was also suggested that, given more space, at least another 16 SE students could be returned to the district.

The district has maintained a relatively stable classification rate over a three year period, although it is the second highest among the comparable school districts. A comparison to the state averages is illustrated below.

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Wildwood City								
Total Enrollment	723	772	801	817	916	881	878	931
Spec. Ed. Enrollment	147	159	166	173	158	178	165	197
Classification Rate	20.3%	20.6%	20.7%	21.2%	17.3%	20.2%	18.8%	20.1%
Keansburg Boro.								
Total Enrollment	1,714	1,807	1,890	1,871	1,874	1,803	1,901	1,878
Spec. Ed. Enrollment	314	325	335	346	392	406	468	458
Classification Rate	18.3%	18.0%	17.7%	18.5%	20.9%	22.5%	24.6%	24.4%
Salem City								
Total Enrollment	1,276	1,284	1,240	1,160	1,172	1,116	1,097	1,144
Spec. Ed. Enrollment	241	249	255	258	236	187	165	193
Classification Rate	18.9%	19.4%	20.6%	22.2%	20.1%	16.8%	15.0%	16.9%
Paulsboro Boro.								
Total Enrollment	1,152	1,202	1,211	1,256	1,256	1,230	1,225	1,241
Spec. Ed. Enrollment	181	194	191	205	193	196	208	217
Classification Rate	15.7%	16.1%	15.8%	16.3%	15.4%	15.9%	17.0%	17.5%
State of NJ Averages								
Classification Rate						12.1%	12.4%	12.8%

The Wildwood City School District special education per pupil expenditures for 1998-99 decreased by 6.5% since the 1997-98 school year. This can be attributed to a change in programs within the district (including funding of the pre-school disabled class through a grant), as well as a reduction in tuition paid for placements of students outside the district.

City of Wildwood			
	1998-99	1997-98	% Change
Special Ed Instruction	\$633,697	\$697,498	-10.07%
Neurologically Impaired	\$70,285	\$0	100.00%
Salaries of teachers	\$68,602	\$0	100.00%
Other Salaries for Instruction	\$0	\$0	
General supplies	\$1,683	\$0	100.00%
Visually Handicapped	\$0	\$4,025	
Purchased Professional/Educational Services	\$0	\$4,025	
Multiply Handicapped	\$0	\$66,744	
Salaries of teachers	\$0	\$66,238	
Other Salaries for Instruction	\$0	\$0	
General supplies	\$0	\$506	
Textbooks	\$0	\$0	
Resource Room	\$563,411	\$583,920	-3.64%
Salaries of teachers	\$551,880	\$570,334	-3.34%
Other Salaries for Instruction	\$0	\$0	
General Supplies	\$9,980	\$12,004	-20.28%
Textbooks	\$1,551	\$1,582	-2.00%
Pre-School Handicapped	\$0	\$42,808	
Salaries of teachers	\$0	\$41,445	
Other salaries for instruction	\$0	\$0	
General supplies	\$0	\$1,363	
Speech Instruction	\$42,743	\$42,808	-0.15%
Salaries of teachers	\$42,743	\$41,445	
General supplies	\$0	\$1,363	
Undistributed Expenditures-Instruct	\$933,300	\$1,022,985	-9.61%
Tuition to Other LEAs Within State - special	\$0	\$23,075	
Tuition to CSSD and Regional Day School	\$660,620	\$742,621	-12.41%
Tuition to Private School for Handicapped (In state)	\$130,867	\$148,689	-13.62%
Tuition to State Facilities	\$141,813	\$36,670	74.14%
Other Support Services – Special Services	\$288,703	\$276,947	4.07%
Salaries of Other Professional Staff	\$247,025	\$233,880	5.32%
Salaries of Secretarial and Clerical Assistants	\$36,649	\$37,005	-0.97%
Purchased Professional/Educational Services	\$0	\$0	
Purchased Professional/Technical Services	\$269	\$140	47.96%
Other Purchased Services	\$0	\$0	
Miscellaneous Purchased Services	\$2,277	\$2,648	-16.29%
Supplies and Materials	\$2,483	\$2,731	-9.99%
Other Objects	\$0	\$543	
Spec. Ed. Transportation	\$131,678	\$121,970	7.37%
Spec. Ed. Students - Joint Agreements	\$0	\$0	
TOTAL SPECIAL ED EXPENDITURES	\$2,030,121	\$2,162,208	-6.51%
Source: Comprehensive Annual Financial Report for FY Ended June 30, 1999			

Regarding transportation, the district participates in Cape May County (CMC) Shared Services. They additionally contract with Lower Township for special education students attending private schools for the handicapped.

Findings

Referencing the child study team classification rates chart, the team found that among the four comparable districts, Wildwood City has the third highest CST rate. In a further comparison to the state's average, the district is significantly higher. However, this is also true of the three comparable districts.

In comparing expenditures from the 1997-98 school year to the 1998-99 school year, the district is to be commended for its reduction by 6.5% even though there were more students in 1999.

The district is also to be commended for its efforts to return students to the district whenever possible. In the future, if more space is to become available, the team suggests that the district look into offering instruction to tuition paying students from other districts.

Special Education Medicaid Initiative (SEMI)

SEMI Payments to the Wildwood City School District

FY 1996	FY 1997	FY 1998	FY 1999	FY 2000*	TOTAL
\$2,786	\$8,737	\$5,513	\$5,321	\$5,011	\$27,368

*As of April, 2000.

The SEMI program provides an opportunity for the school districts to claim available federal funds and to increase their revenues by claiming Medicaid reimbursement for medically related services provided to eligible special education students. Under the SEMI program, the district is eligible to claim for evaluations, speech, occupational therapy, physical therapy, psychological counseling and individual health services.

The district has taken advantage of the training and technical assistance provided by the SEMI Program. As a result, the district has added claims for nursing services, occupational therapy and physical therapy.

Under the Early Periodic Screening and Diagnosis Treatment (EPSDT) Program, the district is eligible to receive partial reimbursement for administrative expenses related to the special education program.

Recommendations:

The district should continue claiming for all eligible services, including contracted services. Claims should be filed on a regular basis.

The district should also apply for the EPSDT Program.

Basic Skills Instruction Program (BSIP)

In the 1998-99 school year, the Wildwood School District provided a Basic Skills Instruction Program (BSIP) to 152 eligible students. This included some students in the English as a Second Language Program (ESL). The district also provided these services to the local non-public school.

Staffing for the BSIP included 10.4 teachers and a part-time secretary. There was no instructional aide assistance. The student-teacher ratio was 14.6:1 with class sizes ranging from 20 to 35 students. The average amount of instructional time per student was 30-45 minutes. Ninety-five percent of the basic skills assistance was delivered in-class with the remaining 5% on a pullout basis.

Students are selected for this program based on standardized test results that have been reviewed by program coordinators to determine if they fall below the Minimum Level of Proficiency (MLP) in reading, language arts, and math. Coordinators furnish the classroom teachers with needs assessment surveys for students falling below the MLP to assess cognitive and non-cognitive domains. Classroom teachers are also asked to recommend students who do not fall below the MLP, but are having difficulties. After a review by the coordinators, these students could also be eligible to participate in the basic skills program. The coordinators additionally survey the basic skills instructors for recommendations. They review classroom progress reports for all eligible students. These reports document report card grades, end of book tests, promotion status and student performance. Once the coordinators determine eligibility and establish a need for remediation, an Individual Student Improvement Plan (ISIP) is completed.

In an effort to further develop student competency, the district offers programs such as the Homework Club. This is an after-school program open to students in both the elementary and high school. Its purpose is to provide help with homework assignments in a teacher-assisted and safe environment. There are two homework rooms available Monday through Thursday in the high school and the elementary school. Approximately 20 to 40 elementary students and 15 to 20 high school students regularly attend. Incentives to the students such as after-school snacks are a regular part of the program. The district also provides to the students, free of charge, miscellaneous supplies in an effort to encourage the completion of projects and assignments. The district is looking to expand this program as it has successfully resulted in 100% homework submission.

The director of instruction/mandated programs feels that the BSIP is running well with the in-class support model. He has indicated that additional money and space would enable the district to expand the program. Spending for this program has increased over the last three years. The increased poverty level as well as the high transience rate within the district (approximately 40%) accounts for some of the additional costs. Also, reduced class sizes and teacher salaries have been significant contributing factors.

Costs as well as student enrollment figures associated with the BSIP over a three-year period are shown below:

	1998-99	1997-98	1996-97
Total Cost	\$393,656	\$319,832	\$310,051
Total Enrollment	152	158	183
Cost Per Pupil	\$2,094	\$1,302	\$1,694

The team found that the district's BSIP has been satisfactory and successful. However, the district has found it difficult to minimize costs because of the high transience rate, increased teacher salaries, and the need to maintain smaller class sizes. While they are committed to identifying and providing this service to all eligible students, it is noted that the district believes that the program could be enhanced and expanded if they had additional space and monies. It should be noted that this program is entirely funded via federal funding.

Bilingual/English as Second Language (ESL)

For school year 1998-99, the Wildwood City School District's Bilingual/ESL Program consisted of 68 Limited English Proficiency (LEP) students. District staffing included two bilingual teachers and one ESL instructor. Class sizes varied from 8 to 22 students and all students graduate from the program within three years. The actual expenditure for this program was \$78,430.

The bilingual program emphasizes transition from Spanish to English using the Spanish-speaking base as a platform to achieve this goal.

A part-time pullout alternative bilingual program with a supplemental pullout ESL component serves most of the LEP students in the district's elementary schools. Bilingual/ESL classes consist of 45 minutes of reading, 45 minutes of math, and 30 additional minutes of ESL. The transitional reading program is the instructional method used in the bilingual classes, with the Spanish version of the reading textbook series utilized in regular classes. The balance of the students' instructional time involves mainstreaming students into regular classrooms. The bilingual/ESL teachers monitor student progress and provide support and assistance to the regular classroom teachers, as well as the art, music, physical education, and library skills teachers.

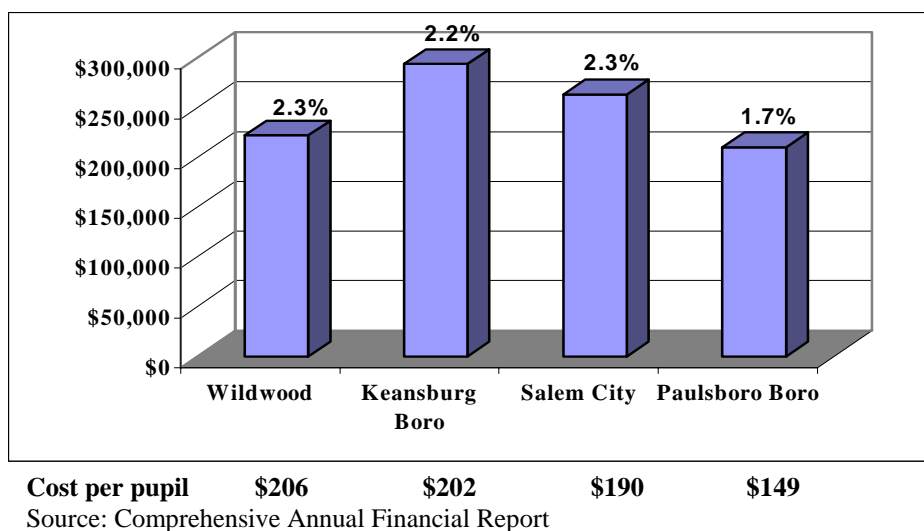
The program for grades 7-12 in the high school is described as a High-Intensity ESL, alternative bilingual program and serves approximately 20 LEP students. The program consists of two classes intended specifically for beginning level students and intermediate level students. One class is set up as an ESL class and the other to provide tutorial support for mainstreaming English classes. Combinations of ESL instructional approaches are used. The direct method is primary in teaching English as the second language. The grammar/translation method is utilized when students are approaching a level where they are preparing to exit the program. The balance of the students' seven-period day is spent in mainstreamed classes, including all special classes. As in the elementary program, the ESL teacher monitors the students' progress in the mainstreamed classes, providing assistance and advice as needed.

The LGBR team found the bilingual/ESL three-year program to be both cost-effective and efficient.

Guidance

Costs associated with guidance services are listed in the Comprehensive Annual Financial Report (CAFR) under other support services – students – regular. When comparing these costs to the other districts selected for this study, Wildwood City's expenditures appear to be within an acceptable range. However, the percentage of the general fund expenditures and the cost per pupil are slightly high compared to the other districts.

1998-99 Guidance Services Expenditures Including the Percentage of the General Fund Expenditures and Cost Per Student



The guidance program in Wildwood City consists of a supervisor, three counselors, two clerical staff, and two part-time substance abuse coordinators (one at each school facility).

At the high school, grades 7 through 12, the program is under the direction of the director of guidance and testing. The director revises and publishes the annual program of study, structures the master schedule, and executes student scheduling. The director also coordinates all the state testing, including GEPA, HSPA, SRA, and AP exams.

Aside from the director, staffing in the high school consists of two counselors; one counselor is responsible for grades 7-9 and half of grade 10, while the other is responsible for the remaining portion of grade 10 and grades 11 – 12. During the 1999-00 school year, the caseload for the counselors was approximately 260 and 180 respectively. The New Jersey Department of Education's Comprehensive Plan for Educational Improvement and Financing recommends a counselor-to-student ratio of 1:337 at the middle school level and 1:225 at the high school level. The primary responsibilities of the high school counselors include the following activities:

- registering new students to the district;
- assisting students with college searches and selection;
- providing individual counseling for specific issues and/or crises;

- interacting with parents;
- providing career counseling; and
- keeping records.

Record keeping activities include addressing schedule-related issues, producing high school profiles, preparing school report card data and school publications, and coordinating the sixth and eighth grade orientation programs.

Staffing at the elementary schools (grades K-4 and 5-6) consists of a guidance counselor who provides individual and small group counseling sessions. The counselor also provides assistance and support for the classroom teachers and is chairperson for the pupil assistance committees (PAC's) which provide input for such things as student classifications, standardized test analyses, etc. The counselor also acts as a liaison between DYFS and the school community. Other functions of this counselor include parental communication, as needed, placement for new and transferring students, assistance with the administration of standardized tests, and maintenance of student records. During the 1999-00 school year, the elementary counselor had a caseload of approximately 500 students. The New Jersey Department of Education's Comprehensive Plan for Educational Improvement and Financing recommends a counselor-to-student ratio of 1:500.

Automation

Only the director of guidance and the elementary school counselor have direct access to a computer. The counselors manually perform their tasks, and later data is entered into the computer by clerical staff. Counselors typically review student records and information in hard copy. Because these files have not been purged or updated in many years, this can be an arduous task. Both efficiency and effectiveness can be gained by providing each counselor with a desktop computer so that information can be modified and/or updated in a timely manner.

Suggestions:

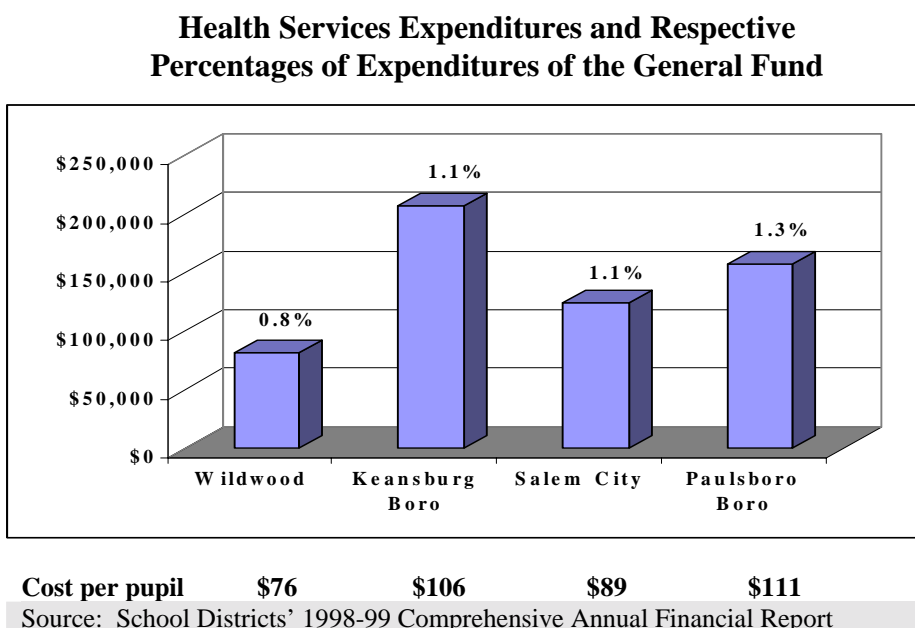
The review team suggests that the guidance department be K-12 structure, headed by the director of guidance. There are a number of ways in which such an action could benefit the students, as well as the counselors, in this district.

- It would promote more coordination and monitoring in such areas as district-wide standardized testing and scheduling, as well as in selective programs and specialized service offerings.
- It would make counselors at the different levels more aware and understanding of counseling services being provided at the other levels.
- It would give counselors from each of the schools an opportunity to interact and share ideas and perspective in a more formal manner as they would be meeting together periodically and reporting to one director, in addition to the building principals.
- Through more open communication among the counselors at different levels, it would make elementary level counselors more knowledgeable in addressing the long term success/effectiveness of their various programs and services. (Perhaps specific services should be expanded or discontinued, modified and/or enhanced, etc.)

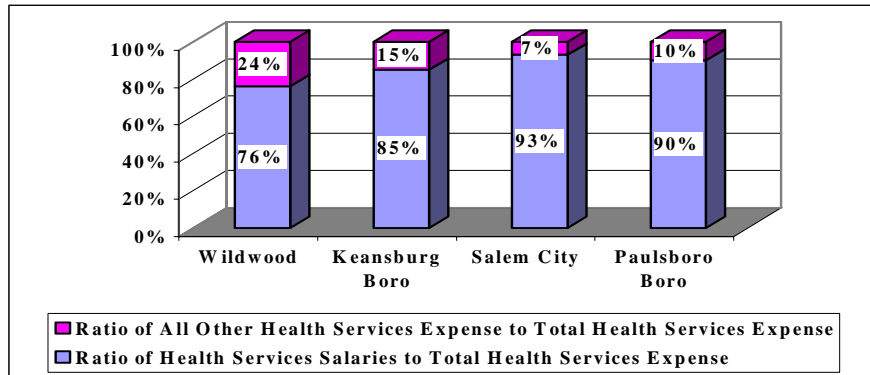
Health Services

Both the high school and the Glenwood Avenue School/Elementary School 1 are staffed with one full-time certified school nurse who reports to the building principal. According to the 1998-99 New Jersey School Report Card, student enrollment at the high school was 470 and at the Glenwood Avenue School/Elementary School 1 was 510. The Department of Education's Comprehensive Plan for Educational Improvement and Financing of May, 1996 recommends a ratio of one nurse to 500 students at the elementary school level and at the high school level a ratio of one nurse to 450 students. The staffing for health services is consistent with the recommended model.

The following chart shows the 1998-99 expenditures and the percent of the total general fund that Wildwood and the comparing districts spent on health services. Wildwood has the lowest expenditure and has the lowest percentage of the general fund budget compared to the other districts. Likewise the cost of health services per pupil is also the lowest.



The chart below illustrates that the percentage of health service salaries compared to the total health service expense is the lowest when compared to the other districts.



The nurses perform typical health office functions, including assisting with the physical examinations, screening, administering medication to students, treating injured and ill children, and providing consultation services to health instructors.

The district maintains two nurses on a substitute list and is able to provide coverage to each building when the need arises. The nurses receive no clerical assistance.

The district is under contract with one physician for providing medical services. The contract is renewable annually. The responsibilities of the physician include performing athletic, new student and child study team (CST) physicals; attending footballs games, coordinating the Hepatitis B inoculation program with the school nurses, testing, evaluating and verifying results of students suspected of substance abuse, and providing general consultation, as needed.

For his services in 1998-99, the district paid \$12,884 plus approximately \$986 for social security. In 1999-00, the district paid \$13,668 plus \$906 for dental coverage and approximately \$1,046 for social security. The physician's contract seems to indicate that the physician is considered an independent contractor. However, the district pays the physician through payroll, as an employee. In this manner, the district incurs the additional costs attributable to benefits.

Even though, kindergarten through 4th grade and 5th through 6th grades are housed in two different facilities, the elementary school nurse is responsible for kindergarten through sixth grade. The nurse, in addition to providing medical care and health screenings for these students, teaches a family life class in the spring to 5th and 6th grade. In order to teach this class, the nurse goes to Elementary 1, leaving the Glenwood Avenue without an attending nurse. To ameliorate this situation, the nurse has provided an in-service class to the staff regarding the procedures to follow in case of an emergency. Fifth and 6th graders are able to access the high school nurse for daily medications or an emergency.

The nurses do all the record keeping manually. The elementary school nurse has a computer, but not a printer. However, it was reported that it is used mainly as a word processor. For the 2000-01 school year, the nurse has budgeted for a software package that will assist in maintaining student records. The nurses should be commended for sending all parent communication in both English and Spanish. However, a common concern was that the communication between the nurse and the staff/administration regarding the services provided to students could be improved.

Recommendations:

The team recommends that the district's relationship with the physician be through a professional service contract. This will result an estimated saving of \$2,000.

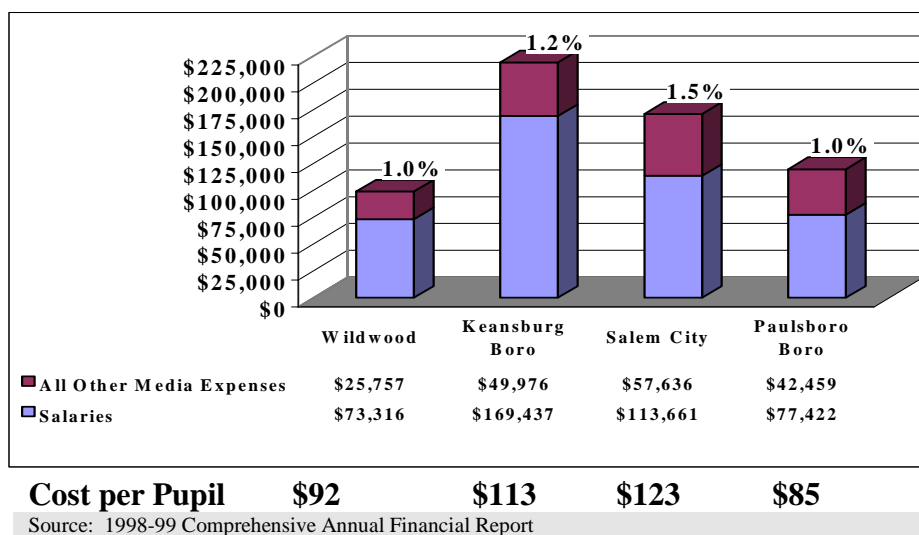
Estimated Cost Savings: \$2,000

The team recommends that the district provide the necessary technical equipment and appropriate software to facilitate student records management. This value-added enhancement will enable the nurses to maintain student records and usage logs with more efficiency.

Library and Media Services

The following chart illustrates the media services/school library expenditures for Wildwood City and the selected comparable districts. It includes respective percentages of the general fund expenditures and the costs per pupil for the 1998-99 school year. Wildwood City spends less than the compared districts. The percent of the general fund expenditure is low, but within an acceptable range.

**1998-1999 Media Services/School Library Expenses
Including the Respective Percent of General Fund Expenditures and Cost per Pupil**



Both of the Wildwood school buildings contain libraries, which are basically open only during school hours. One full-time librarian and a clerical staff each of the libraries. In addition, the Glenwood Avenue School has the assistance of two parent volunteers. Both facilities appear to be adequate to serve the respective student populations. The libraries contain a total of 25 computers and two printers. Students use these computers to research and process information. These computers are connected to the Internet and were installed with the standard office suite

and CD-ROM programs, e.g., encyclopedias and periodical indexes. During the 2000-01 school year, the district will be joining with the New Jersey State Library to offer, at no cost, an extensive database of periodicals.

The current staffing levels for the libraries are within the guidelines described in the New Jersey Department of Education's Comprehensive Plan for Educational Improvement and Financing. This plan recommends a librarian-to-student ratio of 1:500 at the elementary school level and 1:450 at the high school level.

The libraries do not make use of an automated card catalog, but the high school library does use an automated program for circulation.

The district participates in the South Jersey Cooperative Regional Library (SJCRL). The SJCRL is part of the New Jersey Library Network that links over 2,500 libraries statewide and provides a variety of services, e.g., a bank of information, extensive training, discounts for purchasing. In addition, SJCRL sponsors a book review program in which both librarians are participants. The librarians write reviews for new books and are compensated by receiving a copy of the book for their respective libraries.

At Glenwood Avenue School, each student has 75-minutes of library time for every six school days. The district refers to this as the CLAWS program (computer literacy and writing system). The CLAWS program was developed in conjunction with a technology literacy grant. The computer and library instruction are combined and taught in smaller groups. The librarian and the classroom teacher instruct students in writing and library skills and the students utilize the computer to process their writing. The students learn various software applications and formatting, practice keyboarding, and research topics using the Internet.

The 5th and 6th grades utilize the Glenwood Avenue School library at the beginning of the day and are then transported back to Elementary School #1.

The 7th and 9th grades are scheduled for regular library periods once per month. The 7th graders receive basic library science instruction, including the use of the card catalog and book finding. The 9th graders receive instruction on research skills. The remaining junior high and high school students access the library on an ad hoc basis.

It should be noted that Wildwood City does not operate a public library. Residents utilize the county library or the private library located in Wildwood Crest. Both require transportation, as they are not within walking distance. Because of this, there is concern that Wildwood students do not have easy access to a library and/or media center after school hours or during the summer.

Suggestions:

1. The district should consider automating the card catalog and circulation system for both libraries. Both the librarians and the students would realize a number of benefits.

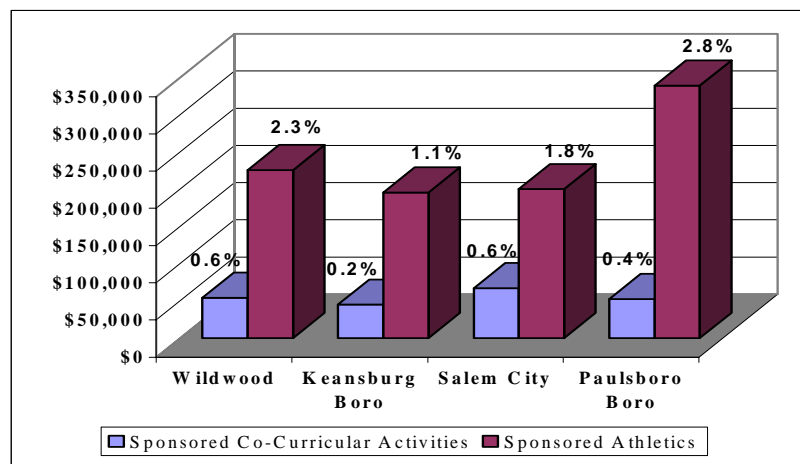
For example:

- students would become familiar with library automation which is prevalent in most libraries;
 - locating and obtaining materials could be done more efficiently; and
 - record keeping would be greatly enhanced. (Annual inventory records providing information on losses and collection needs would be facilitated.)
2. The district should develop a strong relationship with the Cape May County Library. The county library might be able to provide access to its catalog, options for transporting books and materials to Wildwood City, or actually establishing a branch on the island.
 3. The district, together with the municipality, should investigate creating a community library; possibly using the high school library while school is not in session. (This library has a direct entrance from the outside so that people would not have to go through the school building to get to it.) A community library would provide all citizens with access to books and technology. It would provide a library that is in close proximity for all residents. It would strengthen the relationship between the school district and the municipality, and promote good will. For the students of Wildwood City, having a community library would augment the collection and enable students to access the library after school and during the summer.

The district should be advised that state grant money is available through the REAP/REDI programs that encourage local officials to explore and implement new-shared services opportunities. More information and application forms can be acquired at <http://www.state.nj.us/redi>.

Athletics and Extracurricular Activities

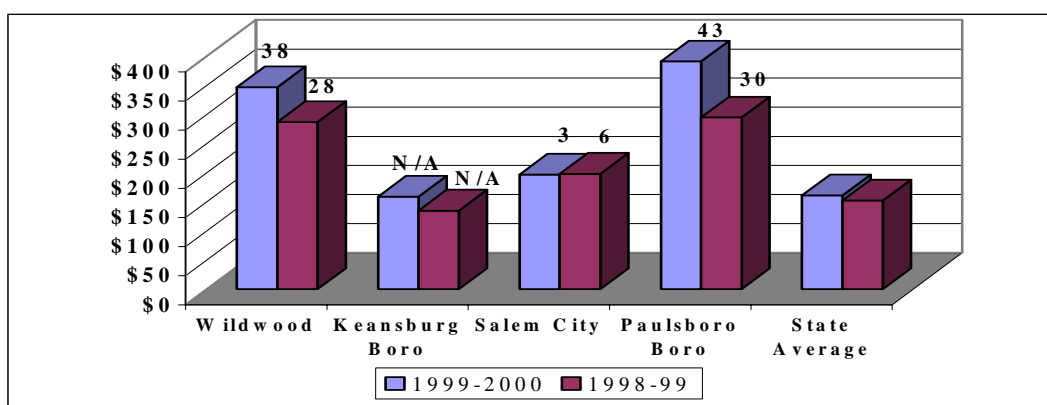
1998-99 Sponsored Co-curricular and Athletics Expenses and Respective Percentages of General Fund Expenditures



Source: School districts' 1998-99 comprehensive Annual Financial Report

The Wildwood School District spent approximately 0.6% of its 1998-99 school budget on school sponsored co-curricular activities and 2.3% on school sponsored athletics. When comparing Wildwood City's expenditures to the comparable districts in the chart above, both categories are within an acceptable range. However, a comparison of the percentages for both sponsored co-curricular activities and school sponsored athletics of the general fund expenditure appears to be high. The chart below shows the extracurricular cost per pupil and its respective ranking as stated in the New Jersey Department of Education's Comparative Spending Guide. Out of 47 New Jersey school systems of operating type K-12/0-1,800 students, Wildwood City is ranked 38th (low cost to high cost) and is well above the state average. Over the last three years, the per pupil extracurricular cost has increased by a total of 68%.

Extracurricular Cost per pupil and Respective Ranking (47 schools)



Source: Department of New Jersey Comparative Spending Guide March, 2000

Athletics

One full-time athletic director supervises district athletics. He is a 12-month employee and is responsible for coordination of the programs, equipment, schedules, team transportation for away events, monitoring of participation levels in various sports and supervision of the coaches.

The athletic director has developed a comprehensive "Coaches Manual" that provides coaches with important information regarding policies and procedures. He has also formulated a specific code, which is instrumental in arriving at a schedule for all extracurricular and athletic stipends. A few of the criteria that provide input for this code include length of the season and number of games and practices. The code consists of 17 categories with 25 steps. This new stipend schedule will be implemented in the 2000-01 school year.

Using the state summary data in the NJEA Teacher Salaries and Salary Guides, Wildwood City's 1999-00 stipends for athletics and extracurricular activities are generally below average as compared to comparable districts. The exception to this is the stipend for the high school yearbook advisor. The Wildwood City stipend is \$2,500 above the average of those compared.

The district presently employs a full-time athletic trainer. The trainer is a 10-month employee who has no teaching assignments and he services students usually during the afternoons and evenings.

There are 35 coaching positions in the district with one board approved volunteer. Staff members hold about 66% of these coaching positions with the rest held by adjunct coaches from out of the district. All coaches must be at least county certified to teach. They are required to submit a final report for each season, which includes an equipment inventory, the number of students participating, and an overall assessment of the season. All coaches are evaluated annually by the athletic director.

The district employs between six and eight staff members to supervise athletic events; the number depends upon anticipated spectator attendance for specific events. These staff members perform such functions as ticket sales, score keeping, operating the score board, and crowd control.

The high school athletics program consists of 14 interscholastic sports made up of 17 teams. The teams are all varsity level, with the exception of boys' basketball, which has two additional levels, and girls' basketball, which has one other level.

High school participants in all sports for 1999-00 totaled 276. (It should be noted that this is the total number of participants for all sports.) Many students participate in two or three sports. The most accurate percentage of students participating in athletics is reflected during the fall season. The total number of students participating in a fall sport for 1999 was 97, which is 31% of the total high school enrollment.

The junior high school program consists of four sports: cross-country, basketball, wrestling, and track. During the 1999-00 school year, about 69 students participated in one or more sports. The school year average participation rate was 20%.

At the elementary school, grades 4 and 5 are offered an intramural program consisting of the same four sports mentioned above. During the 1999-00 school year, approximately 60 students participated in one or more sports. The school year average participation rate is 22%.

A private company provides transportation services for athletes and the district's medical service contractor provides medical services.

The Wildwood Booster Club conducts fundraising activities that provide generously toward college scholarships for high school athletes. In addition, this club provides funding for summer membership to a local fitness center for any Wildwood high school athlete.

The school athletics department and the municipal government are very supportive of one another, particularly in sharing resources and facilities. The district has no outdoor facilities. Fox Park is utilized for softball and tennis. Maxwell Field is utilized for soccer, football, track and baseball. The city recently has made improvements to Maxwell Field by adding lights and a new track.

The high school has one gymnasium and the junior high basketball teams use the recreation centers in Wildwood Crest and North Wildwood.

Extracurricular Activities

Wildwood offers a large selection of extracurricular activities at all levels. A sampling of these include yearbook, newspaper, drama, computer, and homework clubs. A stipend is paid to teachers willing to sponsor these activities and they range from about \$400 to \$4,000. The clubs meet once a month, for one period during the school day and then after or before school whenever necessary. The number of participants in the activities varies considerably, from a low of four to a high of 35.

Recommendations:

- 1. Wildwood City Schools should eliminate some of its lesser-subscribed extracurricular activities.**
- 2. The district should consider one of the following options with respect to the athletic trainer:**
 - **Option 1** - contract with a private sports medicine provider for athletic trainer services. Other school districts do so on a part-time basis, e.g., four hours per day six days per week, which includes attendance at practices, games, etc., with costs in the area of \$16,000 per year, as contrasted with the Wildwood cost of approximately \$64,000 for current salary and benefits. (Wildwood should at least solicit proposals to test the market in the Cape May County area.)
 - **Option 2** - reduce the current trainer position to part-time, or include the teaching of two or more classes each day in the position's responsibilities, as is done in other school districts.
 - **Option 3** – offer a stipend to a teacher who provides the athletic trainer's function.

Estimated Cost Savings: \$40,000

- 3. Incorporate the responsibilities of the athletic director into those of a building assistant or vice-principal. This issue is also addressed in the administrative section of this report.**

Driver Education

Wildwood High School provides driver education for approximately 100 students. The program, essentially for sophomores, provides classroom instruction only and is part of the physical education/health curriculum. One teacher teaches eight sections during the course of the school year. Each section consists of one term or 45 periods of classroom instruction.

Having passed the written exam with an 80% or higher, a student becomes eligible for behind the wheel training. A private driving school is contracted by the district annually to provide behind the wheel training. This training is provided at no cost to the student and is offered during after school hours and/or when school is not in session. A list of eligible students is maintained in the guidance office and provided to the driving school.

The district's selection of a driving school is done through an annual request for proposal (RFP). For the 1998-99 school year, the total cost for behind the wheel training was \$5,328 or \$144 per student. If individual students were to pay a driving school for this training, the cost per student would be between \$250 and \$300. The district contracts a driving school for substantially less and offers it at no cost to the students in order to encourage students to participate in behind the wheel training. Reviewing the last two years of expenditures, on average, 37% of the students eligible completed the behind the wheel training.

Alternative Education

The Wildwood City School District enrolls some students who are unable to succeed in a typical high school environment and require an alternative education program. Through a referral process, students are recommended for enrollment in the Cape Education COMPACK School. Once accepted, students are given an opportunity to complete their graduation requirements.

The COMPACK program targets 16 to 18 year olds who are most "at risk" and in danger of failing in the regular high school environment. These students are often potential dropouts. In exceptional situations, younger students can be recommended for the program.

Since Wildwood does not have a supervisor specifically responsible for alternative education, a designated high school guidance counselor works closely with these students. Through the referral process, counselors, teachers, students themselves, parents, and/or other students who have previously participated may make recommendations to the COMPACK program. Space is limited at this alternative school and a maximum acceptance of only 10 students per year per district is permissible. Tuition is approximately \$8,000 per student and includes transportation.

Students accepted into the program are required to sign a contract and ultimately pass the HSPT test to qualify for a diploma. The alternative school follows the curriculum of the home school. It should be noted that students retain all privileges of their home school (e.g., athletics) as long as they meet the participation requirements. Graduates receive their diplomas from Wildwood High School and are able to participate in the graduation ceremonies.

Several interviewees expressed concern regarding sending Wildwood students out of district for an alternative education program. They would prefer Wildwood City having its own in-house alternative education program. In addition, concern was raised regarding the lack of "in-school" and Saturday suspension to address discipline problems in the district.

The current affiliation with the COMPACK School for alternative education presents a comprehensive, cost effective and successful program with the annual total tuition cost of \$80,000 basically stabilized because student acceptance is limited to 10 per school year. The district's needs, however, are perceived by some interviewees as being in excess of the program's enrollment availability. They feel that an in-district, expandable alternative education program, coupled with "in-school" suspension where appropriate is essential.

Suggestion:

LGBR suggests that, if deemed feasible, the district enter into discussion with the municipality regarding acquisition of repossessed buildings and/or land to use to establish an “in-district” alternative education program. This could be coupled with space for an “in-school” suspension program. If available properties could not be converted into usable facilities, then trailers or modulars could be established on parcels of land purchased from the municipality.

Adult Education

The Wildwood High School evening division provides adult education through a consortium agreement with the Cape May County Technical School District’s Adult Basic Skills Grant Program. The program, totally funded through the NJ Department of Education, designates Cape May County Technical School as the lead agency of the consortium. As the lead, it is responsible for the implementation of all aspects of the grant. There are no tuition or registration fees. All costs related to the program are submitted to the Cape May County Technical School for direct reimbursement to the Wildwood district.

As a subcontractor, Wildwood High School can select the components of the program that meet the educational needs of its students. The district is then responsible for implementing and complying with the specific goals and objectives associated with each component of the program. The program is geared toward enabling students to accomplish the basic educational skills necessary for literate functioning. The English as a Second Language (ESL) component provides English language instruction for adults with limited proficiency. The Workplace, Life Skills and Citizenship course teaches students the advantages of job training, retraining, employment retention, and how to enjoy the advantages and responsibility of citizenship. The goal of the GED course is to enable students to continue their secondary education and earn a diploma or GED.

The student population is primarily composed of older adults. Classes are held at Wildwood High School two evenings per week from 6:00 p.m. to 9:00 p.m.. Staffing consists of five teachers who report directly to the night school supervisor. Enrollment statistics provided by the district indicate a three-year average of 21 students in the GED Program, and 92 in the ABE Program per year. Upon graduation, students receive a certificate from the school and the State of New Jersey.

At the end of each semester, staff members participate in an evaluation plan to discuss and assess the program in general. The plan involves a review of staff recommendations, the programs’ effectiveness, and budget considerations. Performance as well as attendance is carefully monitored, and the final analysis of the data is used to make decisions involving curriculum and/or necessary program changes to benefit the student clientele.

It is the opinion of the review team that the Wildwood School District has made a good decision in entering into a consortium agreement with the Cape May County Technical School District. This affiliation enables Wildwood to meet the needs of the district by providing community members with an academically efficient ESL and GED instructional program.

BUSINESS OFFICE OPERATION

Organizational Structure/Staffing

The business and administrative offices are housed in a building adjacent to the high school. The administrative assistant was appointed board secretary on July 1, 1999 and, when the previous business administrator retired on October 1, 1999, the board secretary became board secretary/business administrator.

The business office, under the direction of the business administrator, consists of a secretary and two bookkeepers. The functions of the business office staff include the following:

Secretary

- agenda and minutes;
- personnel contracts;
- lunch program responsibilities;
- transportation for students attending out of district programs; and
- student monthly attendance registers.

Bookkeeper-Payroll

- payroll;
- accounting and payment of employee deductions;
- lunch program – review of student applications;
- oversight of health, dental, prescription billing; and
- new employee orientation and processing.

Bookkeeper-Accounting

- printing purchase orders and routing them for approvals;
- preparing monthly bill list;
- preparing and mailing checks;
- printing subsidiary ledger;
- revenues - entered into computer system;
- tuition billing for receiving districts; and
- student activities accounting.

It was reported that the monthly register reports are done in the business office in order to provide timely attendance reports for billing receiving districts. This function could be done by the attendance office, which would allow more time for the new business office secretary to learn and undertake other business office responsibilities. While the majority of responsibilities are appropriately divided among the business office staff, it is still being determined which office will be responsible for data input into the personnel module of the district's computer system; the superintendent's office or the business office.

The business office salaries for the 1998-99 school year totaled \$192,938. In the 1999-00 school year, due to the retirement of the business administrator, employment of a new business

administrator, and changes in other personnel, the salaries for the business office totaled \$179,576. Included in the 1999-00 salaries is approximately \$20,000 paid in the 1999-00 school year to the business administrator who retired in October, 1999.

The business office staff members are contracted to work eight hours per day (8:00 a.m. to 4:00 p.m.) including an hour for lunch. The district's summer hours are 8:30 a.m. to 3:00 p.m. Further information regarding the business office contracted benefits are covered in the "Negotiations" section of this report.

Office Technology

The district has computerized modules for accounting, payroll, personnel, and student attendance. All work is done in-house with the district contracting for computer management services. The cost for services is based upon student enrollment and has remained constant for many years at \$24,500. The business office staff is proficient in the computerized accounting and payroll program; however, the personnel module has been installed in the district since the last school year and has not yet been utilized. The personnel module is capable of being integrated into the payroll system. This information could be entered into the personnel program initially and used for numerous tasks thereby avoiding duplication of work in payroll processing, budget preparation, and/or negotiations. Data input into this program should be accomplished as soon as possible.

The business office staff is familiar with word and spreadsheet programs. The review team encourages ongoing training for the business office personnel, which would be beneficial and could be offered in-district. The computer management service provides ongoing training for its programs. Although all business office functions are able to be accomplished by at least one other business office staff member, the staff should take advantage of this training in order for all staff members to be thoroughly cross-trained in the computer systems and business office functions.

Recommendation:

LGBR recommends that staff information be entered into the personnel module in order to utilize its integration capabilities.

Payroll

The payroll is done in-house using a midrange computer system. The payroll program, as well as the accounts payable program, is maintained by a computer management service. The district's payroll is prepared twice a month and the district employs approximately 160 regular employees. Employees have the option of direct deposit for their paychecks.

Since the personnel records were not entered into the personnel module, the team was unable to obtain contractual salaries for the 1998-99 school year. Another conditional setback was the fact that the contracts were settled after the 1998-99 school year and retroactive pay was recorded in 1999-00 for both the 1997-98 and 1998-99 school year. Actual salaries were not recorded in a

manner that would have indicated the revised salaries. The team used retroactive payroll work sheets to acquire the actual 1998-99 salaries. Also, overtime and extra pay information was not isolated and could not be retrieved.

At the time of the review, one bookkeeper, in addition to the business administrator, was responsible for the district's payroll, as well as the reporting of taxes, social security, pension, and payment of salary deductions. Another business office staff member was familiar with payroll procedures. It would be most efficient that she be thoroughly cross-trained in these responsibilities. The district reported that cross training in preparing the monthly payroll is planned.

Recommendations:

Payroll and accounting functions are critical areas of responsibility. In the absence of the responsible staff, other staff members should be capable to complete these functions. LGBR recommends that cross training of staff members in these areas be made a priority.

LGBR recommends that sub-accounts be set up to isolate overtime and extra pay information in order to provide accurate information for budget preparation.

LGBR recommends that a listing of all personnel salaries for the 1998-99 school year be completed and kept on file for district use.

Policies and Procedures

Business office policy and procedure manuals provide general information about specific operations and minimize the uncertainty of transition when personnel changes occur. As part of the business office review, LGBR reviewed the policy manual. The district reported that the policy manual was reformulated in 1996 by an outside consultant. The manual is maintained online and is updated as needed. In reviewing the manual, new and revised policies had no adoption dates, making it impossible to know when a policy had been added, or updated to meet the district's current needs and/or the most current required state mandates. This was brought to the superintendent's attention and he agreed that the revised policies should be dated.

The business office does not have a written procedure manual for any of its operations. Two employees are relatively new and a detailed procedure manual would be beneficial when information is needed regarding the duties of their positions, i.e., payroll, accounts payable.

Recommendations:

LGBR recommends that the district include adoption dates on new and revised policies to enable the district to know when policies were last updated. This would ensure that the policy manual is meeting the district's current needs and the current required state mandates.

It is recommended that each staff member in the business office develops and writes procedures for their respective duties and responsibilities. Upon completion, the manual should be reviewed by the business administrator and presented to the board for formal approval. Procedures should be reviewed and updated periodically.

Job Descriptions

Job descriptions list the responsibilities of each of the district's positions. As new positions are created or revised, these descriptions should be updated. The team reviewed the job descriptions on file and found that the district does not have job descriptions for all employees.

Recommendation:

Job descriptions clarify the responsibilities of the district's positions. It is recommended that the district formulate job descriptions for those positions that have none and update job descriptions for positions that are created or revised. Sample job descriptions are on the New Jersey School Boards Association web site, www.njsba.org.

Fixed Assets

The Wildwood School District maintains a comprehensive inventory of fixed assets that was prepared by Industrial Appraisal Co. in December, 1994 and was updated June 30, 1999. This inventory provides detailed information regarding the location and costs of these assets. According to the business administrator, the district buys very little equipment over \$500. Therefore, items that are purchased or disposed of during the year are manually added to the inventory at minimal time and expense. A review of the fixed asset list shows that it is in agreement with the Comprehensive Annual Financial Report.

Although many districts have a full appraisal done every five years, this is not mandatory. Many smaller districts with little change in fixed assets perform full appraisals less frequently. Several capital improvements in the Wildwood School District including heating, ventilation and air conditioning (HVAC) installation, technology acquisition, and a new roof, warrant a new appraisal in the near future. This appraisal will make certain that fixed assets held by the district are properly insured.

Capital Projects and Long Term Debt

According to district officials, the Wildwood School District has not undertaken a major renovation or construction project since the early 1980's. Changes in the city's demographics, and a decrease in the number of students from the sending districts since that time, have resulted in a shift in the student population of the Wildwood Schools. The district's Long Range Facility Plan projected a 12% enrollment increase over the five-year period from 1995 through 2000. According to their NJ School Report Card, enrollment at the high school has actually decreased 8.5% during that time. District officials sight lack of state funding, which resulted in a decline in the quality of the programs at the schools, and competition from a new vocational school in the region as the major reasons for the enrollment decrease.

In the meantime, while the district projected a 5% decrease in enrollment at the Glenwood Avenue School, there has been an 11% increase during that time. This has caused an accommodation problem whereby only grades K through 4 are housed at the Glenwood Avenue School. Grades 5 and 6 are housed in one wing of the high school in what has been named Elementary #1 School, and the rest of the high school is comprised of grades 7 through 12. Even with this unusual configuration the district is facing problems with overcrowding.

Enrollment at the Glenwood Avenue School is currently beyond its capacity as listed on the Long-Range Facility Plan and although the plan shows additional physical capacity at the high school, district officials maintain that it too is overcrowded in relation to programmatic capacity.

In any case, it does not seem practical from an educational standpoint to move more grades from Glenwood Avenue to the high school. Should the current school population trends continue or should the district need to provide early childhood programs in-house in the future, the problem will only be exacerbated. The district needs to resolve this problem if it is going to function efficiently in the future.

Recommendation:

The district should consider contracting with an architectural and engineering firm that has expertise at projecting enrollment, determining programmatic and maximum capacity of the existing facilities, providing the best solution for redistributing the student population, and presenting the plan to the community, if a public referendum is necessary for construction of a new school.

Although there has been a recent history of failed budgets and bond referendums, the district has the capacity to finance a capital project. According to the 1998-99 Comprehensive Annual Financial Report, the district had a School Borrowing Margin of \$19,688,190 on June 30, 1999. At that time the district had outstanding long-term debt of only \$431,994, which consisted of \$154,000 in capital leases and \$277,994 in compensated absences payable. During fiscal year 1999-00, an additional capital lease of \$625,000 was added and the old lease was paid down, but there is still a significant borrowing margin allowing the district to propose a bond referendum.

The financing of a capital project would impact the district's annual budget in several ways. The total cost of the project depends upon what type of construction, addition, or renovation would best suit the district's needs. The district would need to fund the resulting annual debt service, but, this expense would be offset by a minimum of 40% from the resulting debt service aid that would be received from the state. In addition, the expanded facilities would allow for the expansion and improvement of programs at the high school level. This would help to reverse the trend of declining student enrollment from the sending districts.

An increase in the enrollment of students from the sending districts would increase revenues resulting from tuition. Costs for these additional students would be minimal as they would be incorporated into existing classrooms and programs thereby lowering the per pupil costs. The resulting efficiencies would further help repay the debt service.

Analysis of State School Aid

All of the districts in this report's comparative sampling have a district factor grouping (DFG) of "A". DFG measures districts' incomes and DFG "A" designates that the incomes in these districts are among the lowest in the state. District factor grouping, however, is not the only variable used to calculate a district's local share of the school budget and the resulting amount of Core Curriculum Standards Aid. The other key component in this calculation is Equalized Valuation. Equalized Valuation represents the value of all taxable real estate in the district adjusted to equate assessments to fair market values throughout the state. These are more commonly referred to as "ratables." Wildwood City's decline in ratables in recent years has limited the school district's ability to generate revenue from the local tax levy. The district has had to rely more on state aid for revenue and school officials believe that the funding formulas developed under both the Quality Education Act (QEA) and the Comprehensive Education Improvement and Financing Act (CEIFA) have not treated the Wildwood School District equitably. Although the decline in ratables has contributed to Wildwood's financial troubles, the table below illustrates that the total ratables, and particularly equalized value per student, are significantly higher than the other districts in the comparison. This combination of higher ratables and small student population is the primary reason the Wildwood School District receives a lower percentage of state aid than the other districts in our sample.

CITY OF WILDWOOD				
COMPARISON OF RATABLES				
	Wildwood City	Keansburg Boro	Salem City	Paulsboro Boro
Weighted Enrollment	967	1,979	1,152	1,314
Equalized Valuation	\$480,616,096	\$278,657,021	\$131,809,944	\$317,575,385
Per Student	\$497,018	\$140,807	\$114,418	\$241,686
Source: Department of Education 1998-99 State Aid Calculations				

Among the districts in the comparative sampling to which the Wildwood City School District is most similar, Wildwood has the highest equalized valuation, but in Cape May County the district has the 6th lowest equalized valuation. In addition, Wildwood City is not really similar to the other districts in the county. Of the five districts with lower ratables, two are non-operating school districts, and two have small student populations of 295 and 97. As a result, Wildwood City has the highest total property tax rate and the second highest school tax rate in the county. Local purpose taxes to run the municipality are also the highest in the county. The taxpayers have been more sensitive to tax rates in neighboring communities even though those school districts are dissimilar. This has caused the district to experience a number of failed budgets and bond referendums in recent years. As related in the Comparative Analysis section of this report, the characteristics of the Wildwood City School District are unique not only to Cape May County districts, but to other districts throughout the state.

Lack of state funding has been a major contention of the Wildwood City School District for several years, although only five districts in the county receive a larger percentage of state school funding. All of those districts have similarly high school tax rates, and significantly lower ratables and/or significantly larger student populations. According to district officials, state

funding decreased by \$600,000 for the 1992-93 school year under QEA. Funding levels remained the same for the next several years until the district was able to receive special legislative appropriations. The district received appropriations of \$500,000 in 1995-96, \$450,000 in 1996-97 and \$500,000 in 1997-98. In addition to funding concerns in past years, state aid calculations for 1998-99 indicated that the district was eligible for \$2,549,807 in a combination of core curriculum standards aid, special education aid, bilingual aid, and transportation aid. However, in an effort to minimize the effects of rapid adjustments in state aid, the Department of Education (DOE) included a factor known as “stabilization.” As a result, the district received only a 10% increase over the previous year’s funding which amounted to \$710,439. The district was, however, able to receive a special legislative appropriation of \$950,000 for that year.

Funds that were stabilized in 1998-99 were finally released to the district for fiscal year 1999-00. Excluding the \$950,000 special legislative appropriation from the prior year, this resulted in an increase in state funding of approximately \$2 million. In normal circumstances, the district’s maximum permitted net budget would be calculated based on prior spending. This would have severely limited Wildwood School District’s ability to spend the \$2 million in additional state aid it had just received. As a result, the FY 2000 Appropriations Act allowed Wildwood, and several districts in similar circumstances, to increase their 1999-00 maximum permitted net budget by 50% of additional increase in state aid. The remainder of this funding, therefore, went towards reducing the local tax levy. Although district officials feel they should be allowed to increase their maximum permitted net budget by the other 50% in fiscal year 2000-01, DOE has ruled that this was a specific one-time provision and is no longer necessary as the district is now at CEIFA formula levels. The analysis of per pupil spending in the Comparative Analysis section of this report supports that conclusion. Additionally, this will allow for a more stable growth in the local tax levy, hopefully allowing for a more successful budget approval process in subsequent years. Although the district has suffered through past funding decreases, which resulted in budget defeats and subsequent major budget cuts by the city commissioners, funding now seems sufficient to effectively run the school district.

Budget, Surplus and Cap Waiver Analysis

Over the past three years, the district has been fairly accurate in budgeting general fund revenues. Actual revenues for the last two years, after adjustments for non-budgeted TPAF Pension and Social Security Contributions, are within 1% of the budget. Fiscal year 1996-97 would have been accurate, but an unanticipated QEA Formula Correction Aid revenue of \$450,000 caused the district to underestimate revenues by 6%. Expenditures, however, when adjusted for non-budgeted TPAF and social security expenditures, were over-budgeted 3.62% in 1996-97, 1.48% in 1997-98, and 6.48% in 1998-99. This caused actual surplus to fluctuate and vary drastically from budgeted surplus over the three-year period.

On June 30, 1997, the district had a fund balance of \$1,063,470. The Comprehensive Education Improvement and Financing Act (CEIFA), effective December 20, 1996, reduced allowable surplus amounts from 7.5% to a maximum of 6%, beginning in fiscal year 1997-98. As a result, a significant portion of that balance was appropriated in the 1997-98 budget that was to reduce the fund balance at the end of that fiscal year. The district realized an actual fund balance of

\$503,426 on June 30, 1998. The over-budgeting of expenditures for fiscal year 1998-99 caused an excess of revenues over expenditures of \$444,727, which resulted in a fund balance of \$948,152 on June 30, 1999. The table below shows general fund revenues, expenditures, and fund balances in detail for the last three years.

CITY OF WILDWOOD						
GENERAL FUND REVENUES, EXPENDITURES, AND FUND BALANCES						
	1996-97		1997-98		1998-99	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues	\$9,093,844	\$10,239,344	\$8,412,054	\$8,979,616	\$9,400,199	\$10,210,112
Expenditures	\$9,931,907	\$10,166,280	\$9,161,751	\$9,527,086	\$9,625,737	\$9,745,354
Other Financing Sources (Uses)	(\$50,855)	(\$31,309)	(\$35,234)	(\$12,574)	(\$31,075)	(\$20,032)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$888,918)	\$41,754	(\$784,931)	(\$560,044)	(\$256,613)	\$444,727
Fund Balance July 1	\$1,021,715	\$1,021,715	\$1,063,470	\$1,063,470	\$503,426	\$503,426
Fund Balance June 30	\$132,798	\$1,063,470	\$278,539	\$503,426	\$246,813	\$948,152
Source: 1998-99 Comprehensive Annual Financial Reports						

Recommendation:

The district should develop methods that more accurately estimate annually budgeted revenues, expenditures, and surplus balance. The review team recommends that the district maintain a surplus balance of approximately 3 to 5% of budgeted expenditures for cash flow considerations, unanticipated expenditures, and emergency building repairs. Accurately budgeting revenues, expenditures, and fund balances will help stabilize the growth of the local tax levy, which should help make the budget approval process less problematic.

Cash Management

Cash Management Plan

According to the CAFR, the Wildwood City School District has adopted a cash management plan which, in accordance with N.J.S.A. 18A:20-37, requires governmental agencies to deposit public funds in public depositories protected from loss, under the provisions of the Governmental Unit Deposit Protection Act (GUDPA).

Functions

The business administrator handles the cash management functions. The district's bank has provided the district with a software program to allow on-line access and transfers between accounts. The business administrator reviews balances on a regular basis for the purpose of monitoring deposits, account balances, and the transferring of funds to and from the district's accounts.

Treasurer of School Monies

According to N.J.S.A. 18A:17-34, 35 and 36, the treasurer holds in trust all Local Educational Agencies (LEA) monies, keeps a record of all moneys received and expended and reports to the board monthly, giving a detailed account of all receipts and expenditures. This mandated position provides a control mechanism with the district. The Report of the Treasurer (Form A-149) is a summary of cash activity of all accounts by fund.

The district's treasurer is the tax collector of the municipality of the City of Wildwood. The tax collector has been recently employed and at the time of the review, has not yet provided the district with a treasurer's report. The previous tax collectors of the municipality were also employed in this position. The treasurers have received an annual salary of \$3,000 for services. The district does not have a contract or job description on file listing the treasurer's duties and responsibilities.

In reviewing the treasurer's reports on file, they were not completed in their entirety, there was omission of a fund as well as a listing of outstanding checks. More specifically, findings included the following:

- Many past reports were not received at all.
- All bank statements were not reconciled by the treasurer.
- Fund 50 (Enterprise fund) had not been included in the treasurer's reports.
- The complete reports were not made part of the minutes each month.

The board office personnel reconcile the payroll, agency, unemployment, and cafeteria accounts. Also, since there had been no reports during the period of time the previous tax collector left and the new tax collector was hired, the board office has been reconciling bank statements each month to be sure its records are accurate. The reconciliation of all accounts should be prepared monthly by the treasurer, independently of the board secretary's report, to provide additional control over cash and cash transactions.

Recommendations:

The district should enter into a contract with the treasurer of school monies.

The district should formulate a job description for the treasurer of school monies itemizing all duties and responsibilities.

Reconciling bank statements should be the responsibility of the treasurer. The Treasurer's Report should be completed in its entirety each month and included in the board minutes. The result will be separate and independent control over cash and cash transactions.

In light of the findings of incomplete treasurer's reports, it is recommended that the district employ a treasurer who will reconcile accounts and submit complete reports in a timely manner.

Banking Relationship

The district maintains its operating accounts in one bank and its student activity account in another. The district meets with the banking representative annually to review its account status. Also, the district maintains contact with its bank representative as needed during the month.

The district does not request a monthly account analysis from the bank which is an effective tool to use in analyzing the level of service, cost of services, available investment balances and actual interest rate earned. The district's bank provided a quarterly analysis to the team for review. The analysis indicated the costs the district incurred and calculated an earnings credit. The bank does not charge the district for costs incurred. However, the analysis statement calculates what the district earns, thereby determining what the bank will require the district to hold as a compensating balance in its account.

The school district has been using the same bank for many years without seeking proposals from other banking institutions. The school district has no formal written agreement with its depository. An agreement would enable the district to know what services it is receiving.

Recommendations:

The school board should periodically seek proposals from various banks in order to maintain optimum investment opportunities. It is recommended that the district enter into a formal written agreement with its bank outlining the services to be provided.

The board should also request and review monthly or quarterly analysis statements in order to analyze the level of services it receives.

General Operating Cash Accounts

The district maintains the following checking accounts for general operating purposes:

- general operating checking account (sweep account);
- general operating account;
- payroll;
- payroll agency;
- unemployment trust; and
- food service.

The district's general operating funds are held in a "sweep" account, which is an investment account that collects cash balances from different accounts every night and allows the district to earn overnight interest. As the district's checks clear the general operating account, funds are "swept" from the sweep operating account for payment. As revenues are received into the general operating account, they are transferred back into the sweep account. The general operating account is required to hold a compensating balance of \$60,000 at all times. In the previous school year the bank required a compensating balance of \$100,000. The bank representative reported that the compensating balance was decreased due to decreased services related to the on-line banking program.

Capital Account

In August, 1999, the district entered into a 10-year lease purchase agreement in the amount of \$625,000. The purpose of this agreement was for the installation of an HVAC (heating and ventilation) system at the Glenwood Avenue School. Funds received from the sale of certificates of participation (COP's) were deposited into an account yielding 5.5%. A significant portion of the funds in the cost of issuance account has been expended. A portion of the project account funds is still remaining and will be used upon completion of the project, which is expected in the near future.

Investments and Interest Earnings

For comparative purposes, the team evaluated interest paid to the district from its local bank against interest that would have been paid by the New Jersey Cash Management Fund (NJCMF), a conservative investment fund utilized by the state, and the Treasury bill. The chart below lists the earning rate of the district's bank account, the New Jersey Cash Management Fund, and the Treasury bill for the period from July 1, 1998 to June 30, 1999.

1998-99	SWEEP ACCOUNT	NJCMF	90 Day T-Bill
July	5.50%	5.32%	4.96%
August	5.50%	5.34%	4.94%
September	5.50%	5.31%	4.74%
October	5.50%	5.15%	4.08%
November	5.50%	4.99%	4.45%
December	5.50%	4.98%	4.14%
January	5.00%	4.86%	4.34%
February	4.85%	4.76%	4.34%
March	4.75%	4.78%	4.48%
April	4.70%	4.78%	4.28%
May	4.70%	4.74%	4.51%
June	4.70%	4.77%	4.59%
Total	61.7%	59.78%	53.85%
Average	5.14%	4.98%	4.49%

The table above indicates that the district's bank interest rates were higher than other sources, with an average interest rate of 5.14% on funds in the sweep account. The district did not invest its excess operating funds (those funds not needed for monthly obligations) elsewhere as it was receiving optimum interest with its bank. Interest in all other operating accounts ranged from zero in the payroll account to 1% in all other accounts linked to the bank analysis.

Student Activity Accounts

The district has one student activity account including, but not limited to, the following:

- club accounts;
- scholarship funds;

- elementary account;
- class accounts; (Class accounts are linked to student activity account.) and
- athletic accounts.

Revenues are generated through fundraising events and yearbook sales. Also included in revenues are donations made by private citizens and community organizations for scholarships given to graduating students and funds for instructional purposes.

The total of funds in the activity accounts as of June 30, 1999 was \$81,311, an increase over the previous year of \$8,681. In reviewing the account, the June 30, 1999 ending balances of each group were as follows:

Account Category	1997-98 Total	1998-99 Total	Increase (Decrease)
Class Accounts	\$8,088	\$6,948	-\$1,140
Scholarships	\$45,450	\$58,143	\$12,693
Clubs	\$12,696	\$9,816	-\$2,880
Elementary Account	\$2,681	\$2,767	\$86
Athletics	\$1,457	\$1,298	-\$159
Other	\$1,404	\$1,708	\$304
Interest	\$855	\$634	-\$221
Totals	\$72,631	\$81,314	\$8,683

The student activity account increased over the last two years primarily due to the increase in donations to the scholarship funds. The elementary school, club, and athletic funds have reasonable balances. In many instances, deposits are made at the end of or after the school year thus increasing the year-end balance.

Board policy determines the administration of the school activity funds. The activity account is administered in the board office. Appropriate requisitions are submitted to the business office bookkeeper for payment. The district's student activity account is deposited in a different bank than the bank that holds the operating account funds.

The district's bank provided monthly analysis forms to the team for review. The analysis indicated the costs the district incurred and calculated an earnings credit. In waiving service fees, the bank reduces the average positive collected balance by 10%, which is the reserve requirement to determine the available balance. Interest is calculated on the available balance. The bank does not charge the district for costs incurred except for checks and deposit slips. Interest rates on the student activity accounts were higher than NJCMF and the 90-day Treasury bill rates. The average interest rate for this account was 5.44% in the 1998-99 school year.

Class Accounts

Class accounts (1998-2004) are in a separate account but linked to the student activity account for the bank's purpose of calculating earnings credits. Board policy dictates that class accounts are not kept more than two years after graduation. The district adheres to this policy.

Scholarships

Scholarships and memorial funds are part of the student activity account. Sizeable dollar scholarship funds are invested in several certificates of deposit (CD's). In the 1998-99 school year, the interest rate on CD's ranged from 4.40% to 5.21%. Accounting for each scholarship account is done by the business office bookkeeper.

One of the scholarship funds in the student activity account is set up as a non-expendable trust fund. A non-expendable trust limits the expenses to the terms of a formal trust agreement. In this instance, the expenses are limited to the interest earned on the principal trust. Increases to the principal are occasionally made. The principal in the scholarship fund was \$647. Interest amounted to \$21.55 in the 1998-99 school year. The district reported that a bond was awarded to a graduating high school student.

One of the memorial funds has \$1,070 available for a scholarship. However, it was not awarded to a student, as there has been no direction to the district regarding the use of these monies. The purpose of these funds is to benefit students. The district needs to seek direction for the use of this scholarship fund.

Individual community members and groups give other scholarships on an annual basis. The generosity of the community is quite commendable.

Recommendations:

The school board should investigate the possibility of meeting with those who donate funds for scholarships in an effort to set up non-expendable trusts wherever feasible. By investing funds in a non-expendable trust, the principal funds will be held in perpetuity. The interest would then be used each year for scholarships.

The board should seek direction regarding the use of the memorial fund that remains unused in the student activity account.

Purchasing

Purchasing is a function of the business office and is performed by one of the office bookkeepers under the supervision of the business administrator. The district issues approximately 2,200 purchase orders per year. Requests for purchases are made on a pre-numbered order form and entered remotely into the computer system from each department or principal's office. Each department/principal is responsible for his or her area of the budget and for entering appropriate GAAP account numbers. Purchase orders are printed in the business office and distributed back to each department for department head or principal's approval. Prior to mailing, all purchase orders are approved by the superintendent and business administrator.

Purchased supplies are received in each building. After an order is checked in, a copy of the purchase order and packing slip is returned to the board office.

Purchase orders are prepared for payment upon receipt of invoices. Partial payments on purchases are rarely made. Hand checks are issued only for health benefit bills and purchases that require payment on a certain date. The board is given a listing of monthly hand checks in addition to the entire bill list. The bill list is presented to the board monthly and bills are paid after board approval. The board also approves transfers between line item accounts when necessary.

Purchase orders are authorized and completely processed within days and the purchasing process appears to be well managed and efficient.

The following products are purchased through purchasing jointures, cooperatives or by State contract:

- ***Copier paper*** – This is purchased through a cooperative program with the Pittsgrove Board of Education.
- ***Natural Gas*** – The district participates in a cooperative purchasing program with Pittsgrove Board of Education.
- ***Telephone Service*** – In 1986, the City of Wildwood bid for telephone service and equipment for the school and city offices. The school district paid for its portion of lines and equipment.
- ***Electric Consortium*** – In the 1999-00 school year, the district joined in the Alliances for Competitive Energy (ACES), a cooperative program for bulk purchase of energy usage. ACES is an alliance coordinated by the New Jersey School Boards Association along with the New Jersey Association of School Administrators, and the New Jersey Association of School Business Officials for the purpose of facilitating the economical, group purchase of electricity and energy related services for school districts. There is no cost to the district for joining this cooperative. According to ACES, aggregate bidding will enable the Wildwood City School District to realize a projected saving of approximately 10.2%.
- ***Trash/Recycling/Snowplowing*** – This service is provided by the City of Wildwood at no cost to the school district.
- ***Gasoline and Diesel Fuel*** - The district purchases gasoline and diesel fuel from the City of Wildwood, which bids for this commodity each year. The school, along with the Joint Construction Office of Wildwood, the Water and Sewer Utility and the Housing Authority participates in this interlocal agreement. The use of a swipe card enables the municipality to calculate the usage. The municipality bills each entity for its usage plus a 20-cent charge per gallon for administrative costs.
- ***Field Maintenance*** – This service is provided by the City of Wildwood at no cost.
- ***Internet Provider Service*** – Cape May County Technical School provides Internet provider service for the school at no cost to the district.
- ***Transportation*** – The district participates in the Cape May County Shared Services District (CMCSSD) for student transportation services to special education and technical school programs. Also, the district entered into a joint transportation agreement with Lower Township to transport a student, thus sharing the cost of this route.
- ***Audio Visual Aids*** – The district participates in the Cape May County Audio Visual Aids Commission for loan of supplies and repairs to equipment.

Several of the joint-purchasing programs are discussed further in other segments of this report.

The district's accounting system, which allows purchase orders to be entered from remote sites, is run in-house on a mid-range computer system. The district contracts out for computer management services to support this system. The contract provides 24-hour support, including temporary support in the event of loss of key data-processing personnel, training, and support for end of the year tasks.

The LGBR team encourages joint purchase agreements. The district should continue to investigate various opportunities for joint purchasing for the purpose of achieving better purchasing power. Such efforts result in the ongoing saving of taxpayer dollars.

Recommendation:

LGBR recommends that the district investigate purchasing items from the New Jersey Department of the Treasury's Distribution and Support Services. Supplies and materials are available to state agencies at an average saving of 30% over most other sources.

Grants Management

Administration of grants is divided among several administrative staff members. The Individuals with Disabilities Education Act (IDEA) grants and the School to Careers grant are administered by the supervisor of the child study team.

The director of instruction and mandated programs administers the Improving America's Schools - Consolidated Grant which includes Title I Part A, Title II - Eisenhower Professional Development State Grants (IKE), Title IV - Safe and Drug-Free Communities Act, and Title VI - Innovative Education Program Strategies. He also administers the Demonstrably Effective Program Aid (DEPA), Early Childhood Program Act funds (ECPA), Adult Basic Skills, and Nonpublic School grants.

Each of the staff members involved with the grants has computer access to the financial reports enabling them to be aware of the available funds, monies expended, etc. The business administrator is involved with the financial aspects of the grants.

In the 1998-99 school year, the Wildwood School District was awarded \$712,696 in federal grants and \$1,442,847 in state aid restricted grants. The following is a table of grants received in the last three years:

FEDERAL GRANTS-WILDWOOD	1998-99	1997-98	1996-97
Impact Aid	\$3,574	-	-
Title I - Part A, Basic	\$393,658	\$319,832	\$280,262
Title I -Type B program	-	-	\$274,247
Title I, Capital	\$7,200	\$4,320	-
Title II, Math/Science – IKE	\$14,816	\$15,086	\$13,354
Title IV-Safe and Drug-Free Comm. Act	\$6,275	\$5,883	\$4,814
Title VI, Innovative Educ.Prog. Strategies	\$13,493	\$11,336	\$10,139
IDEA Part B	\$111,180	\$100,350	\$81,480
IDEA Preschool	\$8,617	-	\$12,060
IDEA Capacity	\$5,886	-	-
School to Work-Ocean City	\$26,721	\$16,661	-
N.J. Tech. Literacy Challenge Fund II	\$95,000	-	-
Adult Basic Education	\$24,288	\$24,288	\$16821
Adult Education Training	\$1,988	-	-
Total Federal Grants	\$712,696	\$497,756	\$693,177
STATE GRANTS			
Demonstrably Effective Prog. Aid (DEPA)	\$444,720	\$393,593	-
Early Childhood Program Aid (ECPA)	\$827,750	\$823,118	-
Distance Learning Network Aid	\$37,802	\$37,494	-
Non Public School State Aid			
Nursing	\$20,586	\$18,811	\$17,940
Textbook Aid	\$14,795	\$14,217	-
Auxiliary Services:			
English as a Second Language	\$2,497	\$3,313	\$2,293
Basic Skills	\$66,496	\$65,557	\$53,441
Home Instruction	\$264	-	-
Handicapped Services			
Supplemental Instruction	\$2,257	\$2,032	\$2,032
Examination & Classification	\$3,189	\$3,169	\$3,468
Initial Exam & Classification	\$4,541	-	-
Annual Exam & Classification	\$1,362	-	-
Corrective Speech	\$6,902	\$7,080	\$6,930
Non Public Technology Aid	\$6,536	-	-
Adult Education Basic Skills (GED)	\$3,150	\$3,150	\$2,840
Worklink		\$10,000	
Technology Aid	-	-	\$6,786
Teachers Recognition	-	-	50
Total State Grants	\$1,442,847	\$1,381,534	\$95,780
Total Fed/State Grants	\$2,155,543	\$1,879,290	\$788,957

The above table was derived from Exhibit K-3 of the last three years' CAFR's. The CAFR Exhibit C-2 shows the special revenues differently from the above table. Exhibit C-2 demonstrates the amount of revenues equal to the amount of actual expenditures including those funds not expended in previous years (carryover funds). In the 1998-99 school year, the district actually expended \$1,322,761 in federal grants and \$663,515 in state grants, totaling \$1,986,276.

The difference between the 1998-99 total grants (\$2,155,543) and the actual expended amount (\$1,986,276) is due to funds not unexpended by June 30, 1999; specifically DEPA, NJ Technology Literacy Challenge, IDEA Basic. As allowed, these funds will be carried over to the 1999-00 school year.

Beginning in the 1997-98 school year, the state gave restricted aid to eligible school districts. Like grant money, this aid is accounted in Fund 20 and is to be spent according to state aid regulations. The district received Demonstrably Effective Program Aid, Early Childhood Aid, and Distance Learning Network Aid.

In the 1997-98 and 1998-99 school years, the district transferred ECPA funds to the DEPA program. The district used the DEPA funds to reduce class size, to integrate technology into instruction, to pay tuition for students attending alternative schools, and to partially fund the basic skills programs. The district reported that a portion of the ECPA funds granted in the 1999-00 school year was placed in a reserve account. By September, 2001, the district is mandated to begin a preschool program. A study is currently being done to plan this ECPA program.

Distance Learning Network Aid is allocated to the district based upon estimated resident enrollment. The district received \$41 per pupil based upon the resident enrollment as of October 15, 1998; \$37,802, which funded the purchase of computer equipment.

Eligibility for Title I grant monies is determined by the at-risk population as a percentage of the district's total enrollment. The monies can be spent only in those schools that are eligible because of their high numbers of at-risk students. In the 1998-99 school year, the Glenwood School and Elementary #1 were eligible for, and received, Title I funding.

The Title IV grant funds drug and violence prevention programs. Two part-time substance awareness counselors are contracted from Cape Assist. The counselors instruct students at the elementary school one day per week and three days per week at the high school. Also, a portion of the funds is to implement the drug/alcohol curriculum for the nonpublic school in the district.

Title VI funds are being used for an after-school homework club. This program has been in existence for approximately four years. The program is conducted four days per week and is open to any students wishing to attend at any time. The monies fund the homework room teachers as well as additional incentives such as snacks. A report has indicated that almost 100% of the students significantly increased their submission of homework due to participation. The district reported that 20-40 elementary school students and 15-20 high school students attend this program daily, throughout the year. The district is to be commended for instituting a program that creates an atmosphere of group discussion and positive environment that directly benefits the students.

There is one K-8 nonpublic school in the district. The district received Nonpublic School State Aid totaling \$129,425 in the 1998-99 school year for nursing, textbooks, auxiliary and

handicapped services. The nonpublic school did not expend the entire amount due to the students' ineligibility for services. The unexpended amount, \$10,821, was returned to the grantor.

School to Careers Continuation, Cadre II

The Cape May County School-to-Work partnership was established to prepare students for work. Each participating school district uses the funds in a different manner. Wildwood School District has, through school-based work experience, run a bagel cart, completed career portfolios, and visited work sites. A partnership with Woodbine Developmental Center linked students with mentors at several work sites.

Adult Basic Skills Program

Cape May County Technical School District is the lead agency of a consortium agreement with the Wildwood School District. Wildwood School District is a site of an adult evening school program. Funds from this grant are paid to the Wildwood School District to reimburse the district for costs incurred for this program, primarily for salaries and supplies.

Impact Aid

In the 1998-99 school year, the district applied for Impact Aid and received \$3,575. This aid is granted to districts having a federal facility located in the district. In the case of Wildwood City, a federal housing authority is located here. The application reports 79 students residing in this facility. Aid is based upon the number of students making an impact in the school system. A requirement to obtain this grant money is that each resident living in the federal housing facility sign a designated form. The school district commonly sends these forms to the applicable residents (often several times) and must sometimes resort to actually sending personnel to the facility to get the required signatures. The district does not apply for this aid each year as the process sometimes takes them many hours to complete. It is documented that for two out of the last three years the district did not apply for Impact Aid.

Recommendations:

There is no excuse for the school district to forego applying for this aid. If it is taking several hours to obtain required signatures, then perhaps the manner in which this is being done needs to be looked at more closely. LGBR recommends that the district obtain all required forms (signed) and apply for the impact aid every year.

Revenue Enhancement: \$3,575

The district should frequently visit the New Jersey Department of Education web site, www.state.nj.us/education, (click on "grants") and the United States Department of Education web sites, www.ed.gov/inits.html and www.ed.gov/funding.html, for current information on available grant programs. These web sites provide an excellent source of information for schools to determine those additional grants for which they may qualify.

SERVICE CONTRACTS

Professional Services Fees

An analysis of the district's professional fees was conducted for the three fiscal years from 1996-97 through 1998-99. Total professional fees for the district have grown by 41.9% during that time. These include fees for legal services, auditing services, architectural services, and various other professional services. The table below lists those expenditures in detail.

City of Wildwood				
Analysis of Professional Service Fees				
	1996-97	1997-98	1998-99	% Growth
Legal Services	\$49,844	\$85,023	\$64,242	28.9%
Other Purchased Professional Services*	\$70,009	\$49,216	\$105,877	51.2%
Total Professional Service Fees	\$119,853	\$134,239	\$170,119	41.9%
*Includes Board Member Expenses				
Source: 1998-99 Comprehensive Annual Financial Review				

Legal Fees

As of July 1, 1997, the district entered into a three-year contract with its board attorney. Under this contract the attorney is required to attend all regular board of education meetings and to attend special meetings as required. The board attorney is required to perform negotiation services and related non-litigation labor relation services as required, and to provide telephonic communication with the superintendent, business administrator, and members of the board of education of five minutes or less duration. Although the contract does not provide for a specific number of such calls, this arrangement has been satisfactory to both parties. The board attorney is also required to attend the annual School Law Forum held by the NJ School Boards Association or an equivalent function approved in advance by the superintendent of schools.

For these services, the board attorney receives an annual salary of \$12,000, effective January 1, 1998 through June 30, 2000. Prior to that time, the annual salary was \$19,600. Although many districts pay their board attorneys through their payroll system, LGBR does not recommend this practice. There are additional costs for benefits, social security, Medicare, and pension that are not reflected in the CAFR on the line for legal expenses. These costs generally add approximately 20% to salary costs. In the case of the Wildwood School District, the board attorney does not receive medical benefits, but the district pays approximately \$263 annually for dental benefits, and 7.65% or \$918 annually for Social Security and Medicare. Although it is not paid directly by the district, NJ taxpayers, through the state income tax, also pay costs related to a district employee's pension.

Recommendation:

The district should discontinue the practice of compensating the board attorney through the payroll system and enter into a third-party professional services contract whereby routine legal services are paid through a retainer.

Cost Savings: \$1,181

All additional legal services as required for legal issues including litigation, which were required by the board or its agents, were billed at an hourly rate. Effective January 1, 1998, that rate was \$105 per hour. Effective January 1, 1999, that rate rose to \$110 per hour for the remainder of the contract. All fees were payable upon presentation and approval of an appropriate voucher for services rendered. During the fiscal year 1998-99, in addition to his salary of \$12,000, the board attorney submitted invoices totaling \$28,912.17. The team reviewed a sample of these invoices. Billable hours were divided into tenths and detailed on the invoice. All telephone conversations listed on the invoices reviewed were billed a minimum of .20 hours.

The district also utilized the services of other attorneys during the year. One legal firm was paid \$10,623.03 for legal services involving labor negotiations, employee contracts, and employee grievances. A second firm was paid \$12,681.79 for lawsuits involving the state. According to district officials, there is currently no litigation pending against the district.

A survey of some of the other school districts in Cape May County disclosed that the Wildwood School District incurred the highest legal fees of the four districts surveyed. Two of those districts also pay their board attorney through payroll, while two do not. The hourly rate charged by the Wildwood School District falls right at the median of the four districts surveyed.

Wildwood City					
1998-99 Comparison of Legal Services Fees					
	Wildwood	Wildwood	North	Lower	Middle
Legal Fees	City	Crest	Wildwood	Township	Township
Salary	\$12,000	\$0	\$9,200	\$6,400	\$0
Retainer	\$0	\$2,400	\$0	\$0	\$4,500
Hourly Rate	\$110	\$110	\$125	\$90	\$110
Total Legal Expenses	\$58,895	\$22,748	\$9,200	\$15,882	\$37,520
Source: Survey of Neighboring School Districts					

Auditing Fees

The district paid \$18,227.50 for its auditor's services during 1998-99. This included a fee for CAFR preparation as well as the auditing fee. A survey of the neighboring districts disclosed that the Wildwood School District paid the highest auditing fees of the four neighboring schools in the survey. In many cases, the amount of preparation by the district prior to the audit can effect the cost. In an interview with the district's audit firm, however, it was the auditor's opinion that it was the size and complexity of the audit that determined the higher cost.

Wildwood City					
1998-99 Comparison of Professional Fees					
	Wildwood	Wildwood	North	Lower	Middle
	City	Crest	Wildwood	Township	Township
Audit Fees	\$18,227	\$8,600	\$9,300	\$15,400	\$9,600
Source: Survey of Neighboring School Districts					

Recommendation:

The district should seek Requests for Proposals (RFP's) from other vendors for all professional services in an effort to promote more competitive fees. Unlike bids, these proposals are subject to acceptance by the district. If the district is currently in a long-term, harmonious relationship with a vendor, they need not choose the lowest bidder.

Architectural Services

During 1998-99, although the district had not officially named an Architect of Record, it did contract with one architect for \$76,995 in services. One of the projects, not completed at year-end, included \$10,400 in expenditures that was accrued as an accounts payable. During the next fiscal year, the project was discontinued and the payable was reversed, thereby adjusting 1998-99 fees for architectural services to \$66,595.

Services were provided on an as needed basis for specifications for condensation pumps, electrical redistribution at the high school, and for HVAC specifications at Glenwood Avenue. In addition, the district contracted for a feasibility study of a school addition and the joint use of a vacant bank building with the Wildwood Housing Authority. The chart below lists the expenditures for architectural services in detail.

Wildwood City School District 1998-99 Architectural Services

Wildwood High School - Specifications for Condensation Pumps	\$3,000
Wildwood High School - Redistribution of Electricity	\$18,500
Glenwood Avenue School - Architectural and Engineering for HVAC Project	\$39,370
Feasibility of a School Addition	\$5,000
Project Walk Through - Feasibility of Acquiring a Vacant Bank Building	\$725
	<hr/>
	\$66,595

Fees for architectural services vary greatly from district to district and from year to year as a result of the timing and size of the projects being undertaken. Familiarity with the facilities in a particular district and history of "change orders" are also a significant factor in choosing an architect. For these reasons it is difficult to evaluate proposals submitted by architects. In Wildwood, the architect quoted a single price for each project and quoted an hourly rate for additional work that might become necessary to complete each project. Prior to agreement on a project the board capped all additional work with a "not to exceed" amount.

The review team considers architectural fees ranging from 6% to 10% of total project costs to be reasonable and compared the fees of the two largest projects to this range. Fees tend to comprise a lower percentage of total cost in larger projects. According to district officials, the total cost for the high school electrical redistribution project was approximately \$130,000. The architectural fee of \$18,500 for this project amounts to 14% of total cost. The total cost for the Glenwood Avenue HVAC Project was approximately \$625,000. The architectural fee of

\$39,370 for this project amounts to 6% of total cost. The board did not undertake the projects considered under the feasibility studies, so total costs and percentage of fees could not be estimated. Overall, the review team finds the architectural fees to be reasonable.

INSURANCE

Health Insurance

The Wildwood City School District is a participant in the New Jersey State Health Benefits Program (SHBP). The district also participates in the state's prescription plan. The health plan is provided by the board of education at no cost to the employees. One hundred fifty-two employees participated in the SHBP in the 1999-00 school year. Approximately 80% of the employees have coverage other than single. Over 50% of the district's employees are enrolled in the New Jersey Plus Health Plan. NJ Plus premium cost is less than the traditional plan premiums. Annual individual employee premium costs range from \$1,924 for a single employee covered by NJ Plus (Managed Care) to \$6,852 for family coverage by the traditional plan. The district's total annual cost for the 1998-99 school year was \$482,233. The total cost for the 1999-00 school year will be approximately \$575,000.

In order to contain costs and induce employees to make individual economic decisions on health benefit choices, negotiating some of the cost containment would be a viable solution to the rising cost to the district of employee benefits. The contract recommendations regarding health benefits will be addressed in the collective bargaining section of this report.

Dental and Prescription Insurance

The district, at no cost to the employees, provides dental and prescription benefits. For the 1999-00 school year, the individual annual costs to the district for dental and prescription premiums are as follows:

	Dental	Prescription
Single	\$310.92	\$671.64
Member & Spouse	\$551.64	\$1,574.52
Family	*\$906.36	\$1,590.36
Parent and Child	\$551.64	\$896.64

*The dental premium for parent and children are the same as the family premium.

The district's annual premium cost for the dental program for the 1998-99 school year was \$87,760. The total cost for the 1999-00 school year will be approximately \$100,000. The district's annual premium cost for the State's prescription program in the 1998-99 school year was \$141,416. The total cost for the 1999-00 school year will be approximately \$182,000. The prescription plan is part of the state health benefits package. This provides the district with a lower health premium when a public employer combines this coverage.

The dental provider premiums have remained the same for the past two years (1998-99 and 1999-00). The dental plan provides employees with a \$1,000 per year maximum benefit. Payment is

made according to a customary and reasonable fee. There is no annual deductible. The prescription plan provides that the employees pay \$5 for each prescription (\$1 for generic prescriptions). A mail-in prescription program is available to employees at a \$5 cost for a 90-day prescription.

Contract recommendations regarding the dental and prescription plans will be addressed in the collective bargaining section.

Brokerage Services

The current broker of record has been providing services to the district for many years. The broker received a commission of 10% of all insurance premiums, except workers' compensation, which was 5½%. In the 1999-00 school year, the commission, on the errors and omissions policy, was 15%. For that same year, the total commission paid to the broker was \$6,770. The broker reported that he reviews the student insurance rates annually and all other insurance every other year. The broker meets with the business administrator three or four times a month to assist with student claims and other insurance issues. The broker's commissions are within an average range and he maintains a good working relationship with the district.

Insurance Costs

The district has its property and casualty and workers' compensation through a joint insurance fund that has represented school districts statewide for approximately eight years. The district's insurance premiums for the last three years are as follows:

Wildwood School District Insurance Premiums			
	1999-00	1998-99	1997-98
Commercial Property/General Liability	\$42,527	\$49,795	\$61,825
Workers' Compensation	\$46,055	\$50,755	\$55,428
Total Premium	\$88,582	\$100,550	\$117,253

The insurance premiums have decreased in the past three years due to an improved experience rating discussed below, compounded by an overall decrease in rates for all districts.

Insurance Coverage

New Jersey School Boards Association Insurance Group (NJSBAIG), a school joint self-insurance fund (JIF) formed under the provisions of N.J.S.A. 18A:18B-1 et. seq.; covers the district.

The team reviewed the district's insurance coverage, which includes a property and liability package, school leaders' errors and omissions, umbrella liability, public officials bonds, and workers' compensation. The district also has optional coverage, which includes a supplemental policy for workers' compensation and student insurance. The liability limits were reviewed. The school leaders errors and omissions policy limits were increased from \$1 million to \$2 million, thus the policy premium increased in the 1999-00 school year.

NJSBAIG has incentives to lower costs of insurance premiums. In the past year, the insurance group held a seminar regarding the school leaders' errors and omissions insurance. The group awarded a 10% discount for the next three years for the business administrator's attendance at this seminar. This will save the district approximately \$900 over the next three-year period. It was found that the insurance company neglected to include the discount in the 2000-01 proposal and the company rectified this oversight when the team reviewed this area.

Automobile and General Liability

NJSBAIG rates the district's experience for costing out its automobile and general liability premiums. In the 1999-00 school year, the experience factor was .953 for automobile insurance and 1.001 for general liability. In the 2000-01 school year proposal, the general liability experience decreased to .879.

Workers' Compensation

The insurer, NJSBAIG, provides managed medical care and assistance to the district to reduce the district's risk exposure. The cost for workers' compensation coverage is based on the district's loss experience, the frequency and severity of claims (called the "experience factor"). This measures the district's safety performance against other school districts. This factor is expressed as a decimal and ranges from .5, which is excellent, to 1.0, which indicates the district is doing an average job, to amounts exceeding 1.0 indicating a high experience factor. The district's workers' compensation experience factor was .907 in the 1998-99 school year and .926 in the 1997-98 school year. The team reviewed the insurance loss reports to substantiate the district's claims history. The insurance loss reports indicated that there were 10 claims during the 1998-99 school year and 11 claims during the 1999-00 school year (through April, 2000). During the review, the experience factor for the 1999-00 school year was reported as .669. The decrease is a significant one and can be attributed to the elimination of a loss claim.

The workers' compensation policy pays 70% of the claimants' salaries after the 8th day of absence. The district has a supplemental policy to its workers' compensation policy to cover the additional 30% of the claimant's salary up to one year. This is an optional policy which cost the district \$2,656 in the 1999-00 school year.

The business administrator informed the team that the policy has paid for itself since this coverage has been used in past years. However, the district should review its claims and weigh the benefit of continuing this coverage against the cost of appropriating funds in the budget to cover claims. To contain costs, the district might consider terminating this policy.

The district has established a policy that does not allow returning to work on light duty. Having injured employees return to work as quickly as possible saves the district costs incurred by employing substitutes, and decreases workers' compensation claim payments.

Safety Committee/Plan

The director of buildings & grounds holds monthly safety committee meetings throughout the school year for the district's maintenance staff. Also, during the summer months, intensive safety committee meetings are held weekly to provide safety videos and related demonstrations.

One of the demonstrations involved the local fire department instructing the maintenance staff on the proper way to extinguish a fire. The administrators terminated their safety committee meetings due to poor attendance. Safety is an important issue and a cost saving factor. Attendance at safety committee meetings should be mandatory for all supervisory staff and anyone else deemed appropriate, such as vocational supervisors (art, shop, science, and physical education staff.) In addition, regular safety committee meetings should be held for the entire school staff at regular intervals addressing pertinent issues. Since the review team discussed this matter with administration, the district staff has been given printed safety tips at their faculty meetings. The district does have a safety plan for emergencies as well as a general information guide. As mentioned above, the thorough safety committee meetings given to the maintenance staff appear to be well organized and the district is to be commended for its efforts.

Safety Inspections

The supervisor of maintenance regularly conducts periodic inspections to check the buildings for safety. Also, the supervisor indicated that the maintenance staff repairs hazardous conditions as they observe them. The insurer's loss control representative inspects the district's building and grounds at regular intervals. A most recent inspection report, February 15, 2000, commended the district for improvements in the area of safety training and procedures. The report also identified areas that appear to be hazardous or not in compliance with New Jersey State Codes. Identified were 125 recommendations, many of which were electrical. Others involved maintenance repairs.

The district had not responded to the inspection report regarding which areas have been corrected as required by the insurance carrier. Some of the repairs were made during the summer months, July and August, 2000, at which time the team was provided with a listing of areas that were addressed. The district should address all of the recommendations made, as some are hazardous to students and school staff. Also, the district should request a re-inspection to ensure that the safety measures taken were corrected appropriately. The safety inspection is a service provided at no cost to the district by the insurance carrier.

Student Insurance

The district pays the premiums for student accident insurance. The cost for this coverage was \$19,100 in the 1999-00 school year. The accident insurance includes coverage for all students injured at school as well as for interscholastic athletics, cheerleading, and interscholastic football. The school nurse follows up student accident claims. The broker follows up where problem areas occur.

Recommendations:

LGBR recommends that the district review its option of continuing coverage for supplemental workers' compensation or budgeting for future possible losses.

LGBR recommends that the district address the areas determined hazardous by completing all of the repairs as recommended in the insurance inspection report immediately. Also, it is recommended that the district have its schools re-inspected by its insurance carrier.

It is recommended that the district establish policies and procedures (e.g., light duty assignments) to get injured workers back to work as soon as possible.

Accident prevention is important to provide a safer workplace and is a cost saving factor. Although the maintenance staff has effective safety committee meetings, it is recommended that district-wide committee meetings be held at regular intervals to address safety issues.

FACILITIES & OPERATIONS

Overview

The Wildwood City School District services a student population comprised of children in grades pre-kindergarten through 12th in two school buildings. Grades 5th through 12th are housed in the Wildwood City High School building, and grades pre-kindergarten through 4th are housed in the Glenwood Avenue School.

Both school buildings are overcrowded and aging. The district lacks space for alternate education, full day kindergarten and special education classes which results in rent, tuition and transportation costs.

Maintenance Operations

The maintenance department consists of a supervisor of buildings and grounds, an assistant to the supervisor, and two HVAC/general maintenance supervisors. The supervisor of buildings and grounds is responsible for scheduling of work assignments, budget preparation, supervision of staff, and work order procedures. Purchasing is primarily a clerical function that is handled in the business office, although the director has budgetary oversight responsibilities.

Custodial Operations

The school district employs 10 full-time custodians for the two buildings. Supervision of the custodial staff is the responsibility of the building principals and the supervisor of buildings and grounds.

Custodial Staffing

Part of the review process consists of identifying custodial staffing needs utilizing an objective, quantitative, multi-step process based upon the size and use of the facility. The process entails:

- Review of any existing district work and time standards for the various cleaning tasks within the school facility.

- Review of the custodial labor agreements to determine the number of work-hours within a negotiated workday and then reduction of the workday by an off-task time allowance factor of 25%. (Off-task time is defined as scheduled work breaks, interruptions, emergencies, etc.)
- Obtaining floor plans of the facilities and inserting task data into the following matrix adopted from “*The Custodial Staffing Guidelines for Educational Facilities*” published by the Association of Higher Education Facilities Officers and “*Good School Maintenance*” published by the Illinois Association of School Boards to determine the total cleaning time for each facility.

TYPICAL SCHOOL AREAS	AVERAGE SIZE SQUARE FEET	CLEANING TIME IN MINUTES
CAFETERIA	10,000	150
CLASSROOMS	1,200	15
CORRIDORS	1,000	5
ENTRANCES	112	5
GYMNASIUMS	10,000	45
LABORATORIES	324	20
LIBRARIES/MUSIC ROOMS	15,000	30
LOCKER ROOMS	1,960	25
OFFICES	1,200	8
OFFICES WITH CARPET	1,200	12
RESTROOMS	150	20
SHOPS/ART/HOME EC	1,200	30
STAIRWAYS	PER FLIGHT	8
TEACHERS’ LOUNGES/CAFÉ	1,200	20
AUDITORIUM	10,000	150
MULTIPURPOSE/GYM/CAFÉ	10,000	210
MULTIPURPOSE	2,400	40

*NOTE: The average standard can be adjusted to reflect actual sq. ft. proportional to the standard sq. ft. for an activity.

- Division of this total of minutes by the total work-hour minutes available (after adjusting by the off-task time factor). The result is the headcount needed to clean the facility.
- Comparison of actual and theoretical employee counts to determine if any staffing adjustments can be recommended.

The review team completed the above analysis for the Wildwood City School District to determine the staffing required to perform night cleaning and to establish daytime requirements for basic (statutory) boiler maintenance and porter services.

As mentioned above, the district employs a cleaning staff of 10 full-time custodians. One position is required in each school for porter services and boiler maintenance. The remaining eight positions are available to clean the Wildwood City school buildings. The staffing analysis utilized illustrates that the district exceeds the staffing projected by this formula by one and one-half cleaning positions.

Cost of Operations

One of the tools utilized in the review process is the NJDOE Comparative Spending Guide. This guide compares the per pupil costs of school districts in the state with comparably sized districts

(less than 1,800 students) and those with like grade structures (K-12). Utilizing data for the three most recent years, the Wildwood City School District three-year average cost per pupil for Operations and Maintenance of Plant ranked 43rd out of 47 comparable districts (Rankings are low to high). Salaries and benefits for Operations and Maintenance of Plant ranked 33rd out of the 47.

An additional analysis compares Wildwood City with three districts that are similar in terms of type, size and socio-economic factors. The complete comparison is included in a separate section of this review and is also based on information from the NJDOE Comparative Spending Guide. The school districts that were used for detailed comparison with Wildwood City were Paulsboro Borough, Salem City, and Keansburg Borough.

Based on the comparison of per pupil expenditures for selected cost factors for the 1998-99 school year for the four districts, the per pupil costs for Operations and Maintenance in Wildwood were 41% above the average. Salaries and Benefits were 16% higher than the average of the two districts reporting salaries.

An additional tool used in the review process for identifying potential cost savings in the area of operational costs within the school district includes the following:

1. Perform a square footage analysis for the district and compare the cost per square foot against regional benchmarks and other school districts reviewed by Local Government Budget Review (LGBR) teams. For regional benchmarking, the review team utilizes the *American School and University [ASU]*, a national publication for facilities, purchasing and business administration. The ASU performs annual maintenance and operations surveys of school districts around the country. It provides reports on the cost to operate schools [including payroll, outside contract labor, gas, electricity, heating fuel, equipment and supplies, etc.] on a regional level. Region 2 includes New York and New Jersey.
2. Identify and analyze budget lines and accounts that appear to be high in relationship to regional benchmarks and/or similar school districts.
3. Provide areas for cost savings based upon programs and/or efficiencies identified in other school districts or municipalities that may be applicable in the district of review.

The following table summarizes the Wildwood City School District's cleaning, maintenance, grounds and utility costs per square foot for the 1998-99 school year:

CATEGORY	EXPENSE (\$)	EXPENSE (\$) SF	EXPENSE (\$) SF
	Wildwood City	Wildwood City	Oct 99 ASU
CLEANING			
Salaries	277,328	1.87	1.70
Overtime	-	-	
Supplies	13,638	0.09	0.17
Contracts		-	
Subtotal - Cleaning	290,966	1.97	1.87
MAINTENANCE			
Salaries	142,143	0.96	0.41
Overtime	-		
Supplies	12,224	0.08	0.20
Contracts	190,341	1.29	0.28
Misc.	14,456	0.10	
Subtotal - Maintenance	359,164	2.43	0.89
Total Cleaning/Maint	650,130	4.39	2.76
		-	
GROUNDS		-	
Salaries		-	0.21
Overtime			
Supplies	4,200	0.03	0.09
Contracts			
Subtotal - Grounds	4,200	0.04	0.30
UTILITIES			
Natural Gas	45,452	0.31	0.31
Electric	168,314	1.14	0.68
Water/Sewer	13,745	0.09	0.23
Other Fuel			0.24
Subtotal - Utilities	227,511	1.54	1.46
Total Grounds/Utilities	231,711	1.58	1.76
Total Maint/Oper.	881,841	5.97	4.52
INSURANCE	43,959	0.30	0.11
GRAND TOTAL	925,800	6.27	4.63

Source: 1998-1999 Comprehensive Annual Financial Report (CAFR)

The overall costs for plant operations for the Wildwood City School District are 35% higher than the average costs determined by the ASU survey.

As noted, the LGBR team performed four distinct analyses of maintenance and operations costs in the Wildwood City school district. Expenditures proved higher in each assessment than the comparable districts or the ASU average. Individual categories of expense, which appear to be driving the higher costs, are salaries, contracted services, and supplies.

As demonstrated above, utilizing an analysis based upon actual areas to be cleaned, the district is over-staffed by one and one-half custodians. In addition, \$16,000+ per year has been spent in over-time at the high school for custodial coverage of athletic events and municipal use of the school on weekends.

Recommendation:

The district should reduce the number of custodians by one, and establish a Tuesday through Saturday shift for a current custodian at the high school, thus eliminating 80% of the overtime expended yearly.

Cost Savings: \$35,800

The higher maintenance salary costs can be attributed to the fact that the district has established four supervisory positions; a supervisor of buildings and grounds, an assistant to the supervisor, and two HVAC/general maintenance supervisors. This was explained by the district as a method to curb overtime. However, with four supervisors, and no general maintenance workers, the salary totals for maintenance staff increased 16% from 1997-98 to 1999-00. Additionally, there is an overlap of responsibilities, which decreases productivity.

Recommendation:

The position of assistant supervisor of buildings and grounds should be eliminated, and the supervisor of buildings and grounds position should be re-established as a working plant supervisor. Additionally, one of the HVAC/general maintenance positions should be eliminated. This will establish a staff that meets the ASU standard of one maintenance worker per 107,147 square feet.

Cost Savings: \$77,000

The review team found that the district consistently charges invoice categories to inappropriate accounts. This practice made it difficult to separate services from supplies in the maintenance area. However, an examination of the vendor invoice charges to the professional services area showed that most would have been more appropriately charged to supplies.

The Wildwood City maintenance department handles the majority of projects in-house, with the assumption that it is more cost effective. This review, however, demonstrates that the district should be comparing costs through bids and formal quotes and making comparisons with the cost of in-house repair and building projects. In many cases, equipment and building supplies, along with labor costs, are more expensive utilizing in-house resources due to the fact that a contractor buys in quantity.

A concern was raised during interviews with staff that building projects and preventive maintenance were often delayed because maintenance staff worked on large scale projects that would normally have been bid.

Recommendations:

LGBR recommends that the district establish a time and material chart for in-house construction costs, and utilize this tool to compare with contractor bids. A 1998 survey taken by the Association of Professional Civil Engineers estimates that 18% of building and repair expenditures can be saved through the judicious use of the bidding process in public schools. During the 1998-99 school year, 20 buildings and ground directors from New York and Pennsylvania utilized this method to determine efficiency within their departments. The result of this experiment was an average saving of between 2% and 22% over in-house projects.

Approximate savings represent 18% of the expenditures in 1998-99 for maintenance supplies, contracts and miscellaneous items.

Cost Savings: \$39,000

TRANSPORTATION

The safe and efficient transportation of New Jersey's public and private school students has received increasing attention from the media, state and local officials, as well as taxpaying residents, due to escalating costs. The Local Government Budget Review (LGBR) process examines the level of service provided to the students in the Wildwood City School District as well as the costs of such services.

State aid is provided to qualifying school districts under the provisions of N.J.S.A. 18A:39-1 through 25 which stipulates that elementary school pupils who live more than two miles from their public school or secondary pupils who live more than two and one half miles from their public school are entitled to transportation to and from school. In addition, the statute grants students attending a remote school other than a public school, operated not for profit, located not more than 20 miles from the pupil's residence, transportation within the requirements of the N.J.A.C. 6:21-1 through 2.7. These requirements include restricting the cost of non-public transportation to a stated yearly amount (1997-98, \$675/1998-99, \$702/1999-00, \$707). If transportation cannot be provided for this amount or less, parents are reimbursed the legislated amount.

There are several terms utilized to differentiate between students whose transportation to and from school is an expense recognized as necessary and therefore qualifying for state aid, and those students whose services are provided for reasons of safety or other local conditions or policies. Students who reside a qualifying distance from the school are said to live "remote from the school house" or are termed "eligible" referring to state aid requirements.

"Courtesy" busing is defined as transportation of students who reside two miles or less from the school for elementary grades and two and one half miles or less for the secondary grades. Under

state guidelines, this transportation is unaided if provided. The term “courtesy” busing is used interchangeably with “safety” busing, “hazardous” busing and “ineligible” students, again referring to state aid qualifications.

District Operations

Wildwood City utilizes joint transportation agreements with the Cape May County Special Services School District for district transportation needs. A secretary in the business office is assigned to transportation on a part-time basis. Transportation management and oversight is the responsibility of the district business administrator.

Transportation “To and From” School

Transportation efficiency in public school districts can be defined as ‘equal or improved services for fewer dollars’. There are numerous recommended methods for achieving transportation efficiencies, such as the “tiering” of bus routes; shared services with other districts or joint transportation agreements; privatization of transportation services; concise route and vehicle specifications which encourage competition; cost-effective and comprehensive negotiated agreements; and well-planned driver assignments.

Geographic Considerations

Wildwood City is located on a peninsula with Wildwood Crest and North Wildwood City being the adjoining communities. Under the provisions of N.J.S.A. 18A:39-1.1, districts are required to provide transportation to and from school only if elementary students reside more than two miles from the school, or secondary students reside more than two and one half miles from the school. Wildwood City covers an area of only 1.29 square miles and has no residences that meet the criteria for busing. Therefore, Wildwood City provides transportation for only the special needs students attending in-district and out-of-district schools, and those high school students enrolled in the vocational high school programs.

North Wildwood City and Wildwood Crest high school students attend Wildwood City High School on a tuition basis. Vocational students from the three communities are bused to and from school on the same buses.

Extracurricular Transportation

Transportation for field trips and athletic trips is provided through the use of quotes from local contractors. As the costs for athletic transportation increases, the annual expenses have risen to exceed the maximum allowable amount under the bid threshold.

Recommendation:

LGBR recommends that the district explore bidding athletic and field trip transportation needs. A further recommendation would be that Wildwood City consider joining with Wildwood Crest and North Wildwood City to combine elementary field trip bids.

Special Needs Transportation

Transportation for special education students in Wildwood City is provided through a contract with the Cape May County Special Services School District (CMCSSSD) which has established the Cape May County Cooperative Transportation System (CMCCTS) to serve as the LEA (Local Education Agency). Route costs for these services during the 1998-99 school year ranged from \$1,296 to \$31,334.

The utilization of commissions and cooperatives is recommended as a source of efficiencies. Specializing in combining the needs of several districts into cost effective routes, the role of these consortiums in pupil transportation in the state has grown tremendously. While several years ago the majority of commissions were merely conduits or LEA's, generating route packages, writing specifications and handling the bid process for the districts, with the increasing costs of vendor routes and the lack of competitive bids, more commissions and cooperatives are "going into the bus business." Purchasing vehicles and hiring their own drivers, the commissions and cooperatives are now competitors of the private vendors. CMCCTS, however, remains a strictly contracted service organization.

Just as privatization should not always be viewed as a quick fix for all district transportation problems, cooperative services are not always the most cost-effective method for attaining routes. In order for both of these to be effective, care must be taken in both the presentation of the information and supervision of the final product.

The LGBR team, when examining transportation costs, reviewed the submitted state aid reports such as the DRTRS (District Report of Transported Resident Students) as well as the reported route information, vehicle assignments, and reported route costs. Invoices from the CMCCTS were reviewed for billing accuracy. Projected as well as historic data was examined.

One of the major cost drivers in special needs transportation for the 1999-00 school year was the increase in administrative management fees for routes through the CMCCTS. These costs rose from 3% in 1998-99 to 10% in 1999-00. This increase was explained to the school business administrators in Cape May County as a result of under-charging for route costs the previous year.

Examination of 1998-99 and 1999-00 invoices from the CMCCTS revealed that students were incorrectly charged to the districts, causing the percentage of miles and thus the percent of total route costs to be incorrect also. These mistakes were repeated monthly, and the majority of the districts withheld payment until suitable corrections were made.

An independent audit of the CMCCTS, requested by the participating district business administrators, revealed mismanagement in the area of contract administration and poor record keeping and billing practices. During a telephone interview with the business administrator for the special services school district, the LGBR team was told that the administrative fees would remain at 10% for the 2000-01 school year. The business administrator speculated that the fee would remain at 10% indefinitely.

The increase in cost of administrative fees from 3% to 10% for the 1999-00 school year required additional expenditures of approximately \$15,900 in the district of Wildwood City. This amount represents 9.5% of the total transportation expenses for the district in 1999-00.

Recommendation:

LGBR recommends that the Wildwood City School District business administrator continue to monitor invoices from the CMCCTS to insure accurate billing information. Additionally, the business administrator is encouraged to pursue joint transportation opportunities outside of the CMCCTS.

FOOD SERVICE

According to the Generally Accepted Accounting Principles (GAAP), if a district receives state and/or federal reimbursement for food service costs, or collects fees from students for the cost of meals, the entire food service operation activity must be recorded in an enterprise fund. The Enterprise Fund is an account that is similar to a private business enterprise. The costs of providing goods and services are financed through user charges. According to the Department of Education, enterprise funds are designed and capable of being operated at a profit thus allowing reserves to be accumulated to fund capital improvements for the food service program or be returned to the students by price reduction. The Wildwood City Board of Education appropriately records the food service operations.

An extensive review was conducted of the district's food service program. This included interviews with the food service manager and the business administrator, visits to the school kitchen and cafeteria to observe operations and the analysis of various documents, including the financial records as reported in the Comprehensive Annual Financial Report (CAFR) for the years ending June 30, 1997 through 1999.

Food service has been privatized in Wildwood City Schools for more than 14 years. The contract between the board and the management company is a one year agreement with the possibility of two additional one year renewals, based upon board approval. At the end of the contract period, the district issues a new Request for Proposal (RFP). The cafeteria staff is employed by the management company. The management company charges the district annually an administrative fee of \$18,000 and a management fee of \$4,100. In addition, the vendor charges the district for all other costs incurred such as salaries, benefits, supplies and materials, and the cost of sales.

The district has one production kitchen located in the high school. This kitchen produces meals serving the high school and the Glenwood Avenue School. In addition, Wildwood City School district operates as the host for the North Wildwood Elementary School, the Wildwood Crest Elementary School, and Saint Ann's Parochial School. The district earns a profit on the meals

provided to the other schools as well as commission credit for the use of facility, staff, and delivery vehicle. North Wildwood, Wildwood Crest, and Saint Ann's reimburse the Wildwood City Schools for the meals that are provided.

The district provides both breakfast and lunch to students. Since 1998-99, breakfast has been provided to elementary students at no cost. This has been achieved through the Daisy Batdorf Memorial Fund in collaboration with local senior citizens that provide delivery and clean up for all elementary students in the district. At the high school, breakfast is available before school. Students and teachers may purchase such items as bagels, juice, and granola bars.

Lunch is provided to elementary students at a charge of \$1.40 and to students in grades 7-12 for \$1.50. Teachers and staff members can purchase lunch for \$2.85. These prices have been in effect for the last three years. A pre-printed ticket system is used for the food program. Paid meals, free meals, and reduced meals are identified by a code printed on the ticket. The high school food service cashiers utilize a coded sheet to determine if a student receives a free or reduced lunch. The cashiers indicated that because the school is small, within a short period of time, the cashiers become familiar with the status of each student and use the coded sheet as back up only. Students are able to purchase tickets on a weekly basis or at the point of sale. At the point of sale, a "super sized" lunch is also available for purchase. A super sized lunch includes a second entrée and costs an extra \$.50. If a student forgets a lunch or lunch money, he/she is allowed to charge one lunch. If a student is viewed as habitually forgetful, then a peanut butter and jelly sandwich will be provided.

Student supervision during lunch periods is the responsibility of the district. The teaching staff is assigned to cafeteria/recess duty. In addition, an administrator is present during the lunch periods.

At the high school, there are three lunch periods, which are separated by 22 minutes of down time. During this time, it is often difficult to maintain an even flow of work for the cafeteria staff. In addition, the cafeteria staff prepares all the food before lunchtime. The food remains in warmers until it is served. The district might want to consider modifying the lunch schedule so that there is less time between lunches.

As required by contract, the district established an advisory board composed of parents, teachers, and students. This group assists in the menu planning, as well as initiating suggestions to improve the program. Another advantage to the existence of this committee is the increased awareness and understanding of the school lunch program and the food service operation. It opens the lines of communication between the cafeteria staff, students, parents, and administration, and encourages student lunch participation.

The vendor also has a fiscal arrangement for special functions in which the costs are billed directly to the school district. Included in the special functions account are lunches that are prepared for the local head start program, school board and staff meetings, as well as any requests for student club and activity functions. Receipts from the lunch program, special functions, and any other income are deposited in the board's general operating account.

The following table illustrates the revenues and expenses for the past three years.

Wildwood City Food Service Enterprise Fund Operations 1996-1999			
	1998-99	1997-98	1996-97
<i>OPERATING REVENUES:</i>			
School Lunch Program	\$9,117	\$12,299	\$11,705
Adult and Other Sales	\$53,246	\$55,375	\$65,257
Special Functions	-	\$5,482	\$10,738
Miscellaneous	\$4,823	\$5,282	\$4,166
Credits From Sending Districts	\$123,566	\$3,083	\$12,972
Total Operating Revenue	\$190,752	\$91,521	\$104,838
<i>NON-OPERATING REVENUES:</i>			
State School Lunch Program	\$11,205	\$11,604	\$11,783
National School Lunch Program	\$214,211	\$214,525	\$213,133
School Breakfast Program	\$47,015	N/A	N/A
U.S.D.A. Commodities	\$21,923	\$25,030	\$17,759
Interest	\$381	\$383	\$542
Total Non-Operating Revenues	\$294,735	\$251,542	\$ 243,217
TOTAL REVENUE	\$485,487	\$343,063	\$348,055
<i>OPERATING EXPENSES:</i>			
Salaries	\$144,929	\$128,151	\$129,295
Employee Benefits	\$46,260	\$41,009	\$40,080
Other Operating Expenses	\$7,976	\$19,543	\$18,225
Administrative Support Services	\$18,000	\$18,000	\$18,000
Management Fee	\$4,100	\$4,100	\$ 4,100
Depreciation	\$2,092	\$1,626	\$1,092
Miscellaneous	-	\$145	-
Cost of Sales	\$289,495	\$159,789	\$169,366
Total Operating Expense	\$512,852	\$372,364	\$380,157
Net Income/Loss <u>Before</u> Board Subsidy	\$(27,365)	\$(29,301)	\$(32,102)
Operating Transfer – Board Subsidy	\$20,032	\$32,704	\$31,309
NET INCOME/LOSS	\$(7,333)	\$3,403	\$(793)

Source: CAFR Report June 30, 1998 and 1999

There were some changes in the billing process that occurred between 1997-98 and 1998-99. In the 1998-99 school year, Wildwood City Schools became the executor of food service management for North Wildwood and Wildwood Crest. Saint Ann's Parochial School was added in the 1999-00 school year. The differences in this billing process will be noticed in the credits from the sending districts and cost of sales. In addition, it should be noted that the board

has made contributions to the food service program each year. It has been reported that over the years, the food services management company has reduced the board subsidy, however, the board contributed \$20,032 in 1998-99.

The review team conducted a cost-effective analysis for the district. The following table illustrates the district's expense, its income, and its comparison with the market.

COST VERSUS INCOME

	Food Service Costs	Cost as a % of Total Food Service Revenue	Market Rate
Payroll	\$191,188	41%	40%-45%
Food Costs (Includes Supplies & Materials)	\$267,753	58%	43%-50%
Total Revenue (Excludes USDA Commodities)	\$463,564	100%	100%

Source: CAFR Report June 30, 1999

An analysis of the above table reflects that the food cost for Wildwood City School District was 8% higher than the market.

During the 1998-99 school year, there were 53,444 breakfasts and 115,995 lunches served. Using the average daily attendance of 981 students, the participation rate in the school lunch program was 65%. The participation rate indicates an acceptable level of satisfaction with the program among students. A high participation rate can impact the operating efficiency, increasing the benefit of economies of scale in food purchases and preparation.

The team conducted a basic cost analysis for the district. The table below shows the total meals served during the 1998-99 school year for both Wildwood City Schools as well as for the districts that Wildwood City provides food service.

	1998-99		
	Sending Districts	Wildwood City	Total
National School Lunch			
Paid	20,606	6,580	27,186
Reduced	6,738	4,580	11,318
Free	32,978	104,835	38,504
Total Lunches	60,322	115,995	176,317
School Breakfast			
Paid	583	11,131	11,714
Reduced	1,039	1,972	3,011
Free	7826	40,341	48,167
Total Breakfasts	9,448	53,444	62,892
Number of Equivalent Meals		38,712	38,712
Total Meals	65,046	181,429	246,475
Average Food Cost per Meal (lunch, breakfast, and equivalent meal)			\$1.30
Salary and Benefits Per Meal			\$.78
Total Costs Per Meal			\$2.08
Percentage of Food Costs per Meal			63%
Percentage of Salary and Benefits Costs			37%

The total number of meals is calculated by adding the lunches, half of the breakfasts, and an “a la carte” equivalent meal count. The total meal count is 246,475; for the sending districts it is 65,046 and for Wildwood City it is 181,429. The equivalent “a la carte” meals is calculated using the total “a la carte” income divided by the \$1.50 lunch charge.

The average food cost per meal calculation is based on the total expenditure (excluding salaries, benefits, and depreciation) of \$319,571 divided by the total number of meals (246,475), which yields \$1.30. The expense for salaries and benefits divided by the number of total meals is equivalent to \$.78 per meal, which is \$2.08 for Wildwood City Schools. The difference between the cost and price is \$.58, which approximates the cost the board subsidizes for each **paid** meal.

A further analysis of the district’s food service labor cost was conducted with standards and formulas used by the food service industry to assess program efficiency and productivity. In the food service industry, efficiency and productivity are determined by the average meals per labor hour (MPLH). The MPLH is calculated by dividing the total average daily hours worked by the average number of meals (including breakfast and a la carte equivalents) served daily. According to the food service industry standards, a food service program should be able to produce at least an average of 15 MPLH’s. The average meals per labor hour for the Wildwood City School District is 16. This is commendable and demonstrates an efficient and productive staff.

Recommendations:

- 1. Although the board subsidy has decreased over the years, the enterprise operations should be profitable and free of board subsidy. It is recommended that, in the contract, the district require that the program operate at a profit and that the vendor will absorb the loss if there is a deficit.**
- 2. The RFP should be distributed to several vendors for the purpose of promoting competitive management and administrative fees.**

Savings Undetermined

- 3. The management fee should also be reviewed. This fee could be structured in a way that it is linked to the profitability of the program or with annual participation rates. There should be an incentive for the management company to increase these rates and be self-supporting.**
- 4. The lunch price should be increased to the state level. The state lunch prices are \$2.25 for high schools, \$2.00 for middle schools, and \$1.85 for elementary schools. Such price increases could bring in additional revenue of \$5,000.**

Revenue Enhancement: \$5,000

- 5. The district should receive from the sending districts the monthly meal counts. These meal counts could be used to validate the credits Wildwood City Schools receives from the management company.**
- 6. The district should examine the food cost and determine ways to reduce this cost.**

BOARD OF EDUCATION

Board Member Expenses

Board member expenses for fiscal year 1998-99 totaled \$24,689 as listed below.

Wildwood City Board Member Expenses 1998-99

New Jersey School Boards Association Memberships	\$7,475
Other Memberships	\$3,704
Consultants Fees	\$2,200
Publications	\$747
Flowers, Donations, etc.	\$1,271
Travel Reimbursements	\$1,905
National School Boards Convention	\$2,407
Meals	\$918
Supplies	\$2,733
Postage	\$600
Miscellaneous	\$729
Total	\$24,689

The district does not issue credit cards or cellular phones to its board members. Funds expended for 1998-99 were properly authorized and not excessive.

III. COLLECTIVE BARGAINING ISSUES

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason we present those issues subject to collective bargaining agreements separately, in this section.

Negotiated Contracts/Agreements

Two collective bargaining units are recognized by the Wildwood City School District: the Wildwood Education Association (WEA) which includes classroom teachers, school aides, school secretaries and custodians; and the Wildwood Administrators' Association (WAA). In addition, the board has entered into 12 non-affiliated contracts which are listed below, each with its individual contract term:

<u>Position</u>	<u>Contract Term</u>
Superintendent	7/01/96 – 6/30/99
Board Secretary	7/01/99 – 6/30/01
HVAC and General Maintenance Supervisor (2)*	7/01/99 – 6/30/01
Supervisor of Buildings and Grounds	7/01/98 – 6/30/00
Assistant Supervisor of Buildings and Grounds	7/01/98 – 6/30/00
Bookkeeper (2)*	7/01/99 – 6/30/01
Secretary to the Superintendent	7/01/99 – 6/30-01
Secretary to the Business Administrator	7/12/99 – 6/30/00

*Two separate positions, each with a separate contract

The contracts for the school physician and district legal counsel are reviewed in the health services and legal fees sections of this report.

The previous WEA and WAA agreements expired in 1997 and were successfully negotiated in 1999 after a two-year bargaining process. The current term for both collective agreements extends to June 30, 2001. Approximately, six individual contracts were under negotiation at the time of this review, including that of the superintendent.

Personal Leave

Personal leave provisions range from two to four days under the various collective and individual agreements. Unused personal leave is converted to sick leave annually, except where this would result in the accumulation of more than the allotted number of sick leave days provided that year.

Sick Leave

The WEA contract basically provides 10 sick leave days annually for 10-month employees, and 12 days annually for 12-month employees. Under the WEA agreement, the district purchases unused sick leave from retiring employees at the rate of \$25 per day to a maximum of 200 days, provided the WEA employee has 15 years of service in the district and has accrued a minimum of 75 sick leave days.

The employment contracts for the superintendent, the board secretary and the WAA each provide for 15 sick days. The superintendent and board secretary's contracts cap the purchase of sick leave upon retirement at \$20,000, the WAA at \$10,000.

Recommendation:

In future negotiations, the board should make an effort to reduce the cap on sick leave buy out closer to \$15,000 which is the maximum provided by the state to its employees.

All contracts, both collective and individual, provide for between two and three non-accumulative leave days annually due to illness in the immediate family. This leave is provided in addition to the annual sick days, annual personal days, and annual bereavement leave. These three family illness leave days must be identified as such when taken. In school year 1998-99, a total of 296.5 sick leave days were taken district-wide for illness of a family member. This included 213.5 teacher days. Unlike other employees, teachers' leave generally requires that a substitute be hired to assume classroom responsibilities. In Wildwood, non-degree substitutes are paid \$50 per day, degree substitutes \$60. Averaging this out at \$55 per day, the district expended approximately \$11,472 for teacher substitutes for family illness leave exclusively.

Apart from the fiscal implications of expenditures for teacher substitutes, all family illness leave days taken represent a significant loss of productivity in the workplace.

Generally, sick days are provided to an employee for use in cases of personal or family illness. The district's sick leave policy is comparable to that found in many other New Jersey school districts. The additional three days of sick leave for family illness are, in LGBR's experience, uncommon and excessive. They result in additional unnecessary costs and loss of productivity in the workplace.

Recommendation:

It is recommended that in future negotiations the district address elimination of the three annual family illness leave days provided under the present contracts.

Potential Cost Savings: \$11,743

Potential Productivity Enhancement: 296.5 days

Vacation Leave

The district's employment contracts provide for between eight and 23 vacation days per year. Several variations on the vacation day carry-over allowance exist. In most cases, between five and 10 days can be carried over per year.

With the exception of custodians, district employees are provided an annual buy back of unused vacation time at the full *per diem* rate. Employees can "cash out" a maximum of five to 10 days annually in this way. These vacation leave "cash out" provisions cost the district \$19,216 in school year 1998-99.

It is widely recognized that vacation leave is provided for the purpose of rest and relaxation, not as a source of duplicate compensation. With the exception of a limited carry-over allowance, all employees should be encouraged to use and to enjoy their vacation leave time.

Recommendations:

The district should encourage all employees to use the full annual vacation leave provided to them by contract.

LGBR recommends that, in the course of future contract negotiations, the district seek elimination of all vacation leave “cash out” provisions.

Potential Cost Savings: \$19,216

Longevity

Longevity pay is broadly defined as payment for longevity in actual service, i.e., payment for time spent in service to a specified employer(s). Historically, LGBR has not supported longevity under the following circumstances: 1. When longevity pay is based on time-in-service only, that is, time to the exclusion of performance. 2. When longevity pay is not written into the collective bargaining agreement and is therefore not readily available to the general public.

Concerning the availability of salary information to the general public: The WEA contract, current at the time of this review, provides a 14-step pay scale for certificated personnel. Steps 1 through 11 are listed as A through K, respectively; steps 12 through 14 are identified as: L-1, L-2 and L-3. The contract language clearly states that steps L-1 through L-3 provide “an additional amount of longevity” for “[c]ertificated personnel once they have reached the top of the salary scale” The amount to be paid at steps L-1 through L-3 for each of the eight teacher salary guides is also included in the contract language. Complete salary information is therefore readily available to local taxpayers.

With regard to payment based on time-in-service only: The agreement provides that “[a]ll certificated personnel, beyond Step (J) (10), top-of-the-scale, shall be entitled to longevity, based upon the years of experience in the district.” In discussing the issue of longevity with the district’s administration, reviewers were informed that longevity increments, like all other WEA contractual salary increments, are provided on the basis of appropriate administrative review and evaluation. For the district to best implement its philosophy of continued incremental pay based on both time and quality of service, the language of the agreement should be taken under advisement by counsel for possible amendment.

Recommendation:

To avoid potentially costly misunderstandings, the Wildwood City Board of Education should seek counsel to clarify its intent with regard to “longevity” pay in the WEA teacher salary guides.

Professional Growth and Development

The contracts for all certificated personnel provide various opportunities for professional growth and development. Central office staff are also provided reimbursement for certain tuition costs. Several of the central office staff contracts provide for reimbursement of tuition costs as “per . . . [the board’s] past practice.” This language lacks specificity and is therefore open to potentially costly misinterpretation.

Recommendation:

To avoid possible misunderstandings, the number of reimbursable credit hours per year and rate of reimbursement should be specified in all applicable contracts.

Black Seal and Other Licenses

The Department of Labor requires that someone holding a valid black seal license (BSL) be present in any public building where there is a low-pressure boiler in service. By contract, the two HVAC general maintenance supervisors, the supervisor of buildings and grounds, and the assistant supervisor of buildings and grounds are required to maintain a valid BSL as a term and condition of employment.

Under the WEA contract, custodial staff who hold a BSL are paid a stipend of \$950 annually. This provision cost the district an additional \$8,550 annually in school years 1996-97 through 1998-99.

It is LGBR’s position that certificates mandatory to the performance of a position do not merit payment of a stipend. For this reason, the review team does not support the payment of a stipend for possession of a BSL.

The board also pays an annual stipend of \$1,000 to any member of the custodial staff who obtains “asbestos worker” certification. LGBR strongly supports one-time board expenditures to provide training to employees so that they may obtain such licenses, and commends the board for encouraging its employees to secure and maintain these licenses and certifications. However, the review team does not support payment of an annual stipend to those who hold such credentials. Most recently, this provision has cost the board \$1,000 per year.

Recommendation:

It is recommended that the board negotiate the elimination of the annual stipends for licenses required as a condition of employment as well as those non-instructional licenses and certifications that enhance job performance. In lieu of annual stipends, the board is encouraged to provide the training necessary for licensing or certification in these areas.

Potential Cost Savings: \$9,550

Health Benefits

As indicated in this report, the Wildwood School District is a participant in the New Jersey State Health Benefits Program (SHBP). The health plan is provided by the board of education at no cost to the employees. Many private companies are charging employees a portion of health care costs because of the large increases seen in insured health care claims. This has not been the case with public employees. In order to contain costs and induce employees to make individual economical decisions on health benefit choices, the district could negotiate charging a portion of other-than-single coverage to the employee.

The state statute does allow an employee-premium cost-sharing program. If the district negotiated an employee premium co-pay of 20% of dependent's cost, an annual decrease in cost of approximately \$55,300 could be realized, based on 1999-00 rates. (LGBR utilizes current year costs for health benefits rather than the study year costs due to the volatile nature of pricing in the health insurance market place.)

Dental Insurance

The district, at no cost to the employees, provides dental benefits. The district's annual premium cost for the dental program in the 1999-00 school year will be approximately \$100,000. If the district negotiated a 50% employee cost sharing of dental premium, the district could realize savings of \$49,000.

Recommendations:

LGBR recommends that this district negotiate a co-pay of 20% of dependent coverage to realize a saving in its health insurance premium.

Potential Cost Savings: \$55,300

LGBR recommends that this district negotiate a co-pay of 50% to realize a savings in its dental insurance premium.

Potential Cost Savings: \$49,000

Stipends

The schedule for Wildwood's stipends for athletic and extracurricular activities has been amended and this new schedule will be incorporated during the 2000-01 school year. It was reported that the stipend schedule was adjusted in order to be more competitive with surrounding districts. The district should be commended for revising the stipend schedule in a way which takes into consideration the time and effort of each sport or activity. However, when comparing this new schedule with the 1999 guides, it appears that the Wildwood City Board of Education will be paying out stipends that are well above the average of New Jersey districts that are similar in structure and size. The stipends in the new schedule are, on average, about 32% higher than the average stipends of the similar districts for the previous year. It is estimated that with the new stipend schedule the district will be spending between \$20,000 and \$30,000 more in stipends than it would if the schedule was on par with the compared district.

Recommendation:

The district should re-evaluate the new stipend schedule to ensure that these stipends are not overly generous.

Potential Cost Savings: \$20,000 - \$30,000

IV. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery in an effort to highlight shared services already in place and opportunities for their implementation. The Wildwood City Board of Education participates in a number of shared service arrangements that provide needed resources and services at reasonable costs. Examples include the following:

The Wildwood City Board of Education participates in a number of shared service arrangements that provide needed resources and services at reasonable costs. Examples include the following:

Grounds & Facilities

The district and the municipality work very closely in sharing athletic fields owned by the municipality. There appears to be an excellent working relationship between the two parties regarding the municipality's maintenance of these resources. The municipality also works with the district in providing free of charge such services as snow plowing, trash collection, paper recycling, and lining of athletic fields.

Operational Functions & Services

The school system shares several functions with the municipality. For example, the local police department provides the DARE Program for elementary students. Also, through a grant (COPS), a police officer assists with the high school's attendance program.

Wildwood, on occasion, shares functions with other area school districts for such services as in-service training and staff development and "Right-to-Know" training.

Wildwood sends students to the Cape May County Special Services School District's Alternative School as needed on a tuition paying basis. Students requiring occupational and physical therapy as well as pre-school handicapped instruction are also sent to the Cape May SSSD on a tuition paying basis. Adult career and continuing education courses are offered through a jointure with the County Technical School.

Lunches prepared in the Wildwood High School cafeteria are transported to North Wildwood, Wildwood Crest, St. Ann's Parochial School and the Head Start Program via inter-local agreements with billing done by a food management service, which is under contract with the Wildwood School System.

Purchasing

Along with other districts, Wildwood City takes part in cooperative purchasing with the Pittsgrove Township Board of Education for various supplies (e.g., office supplies and copy paper) at no cost to the district; the same for purchasing natural gas from Pittsgrove/Woodruff,

Inc. at reduced rates. Gasoline and diesel fuel is purchased through the City of Wildwood Public Works Department at reduced prices. The district participates in a cooperative purchase of electricity through the Alliance for Competitive Energy (ACES).

Somewhat unique is the fact that the municipality provides all telephone services for the school district free of charge, excluding the cost of the district's portion of lines and equipment. This came about as the result of the municipality bidding for the board of education as well as all city offices for a new telephone system several years ago.

Technology

Internet provider service is offered to the school district free of cost through the Cape May County Technical School. The district also jointly shares hardware and software for mutual goals and objectives with the Wildwood Housing Authority.

The district participates in the Cape May County Audio Visual Aids Commission for the loan of supplies and repairs to equipment.

Transportation

The district takes advantage of transportation services, along with other area schools, through joint transportation agreements via Cape May County (CMC) Shared Services. Services include transporting students attending the Cape May County Special Services School District and the County Technical School. The district also contracts with Lower Township for a special education student attending a private school for the handicapped.

Efforts should be made on the part of the school system to continue identifying potential shared services, thereby reducing the cost of service for all parties involved.

In addition to savings to be realized by joining services, there are two new state programs designed to encourage and reward local governmental units and their taxpayers for regionalizing, sharing and joining services with other units of local government. The Regional Efficiency Development Incentive Act (REDI) provides funds to local units to study the feasibility of joining services. The second program, REAP (Regional Efficiency Assistance Program), provides direct tax relief for any local government regional service agreement signed after July 1, 1997. These programs are jointly administered by the New Jersey Department of Community Affairs and Department of Education. The district is encouraged to contact the DOE REDI Program at (609) 633-2454. Additional information is obtainable at the REDI Program website at www.state.nj.us/redi.

LOCAL GOVERNMENT BUDGET REVIEW ACKNOWLEDGMENTS

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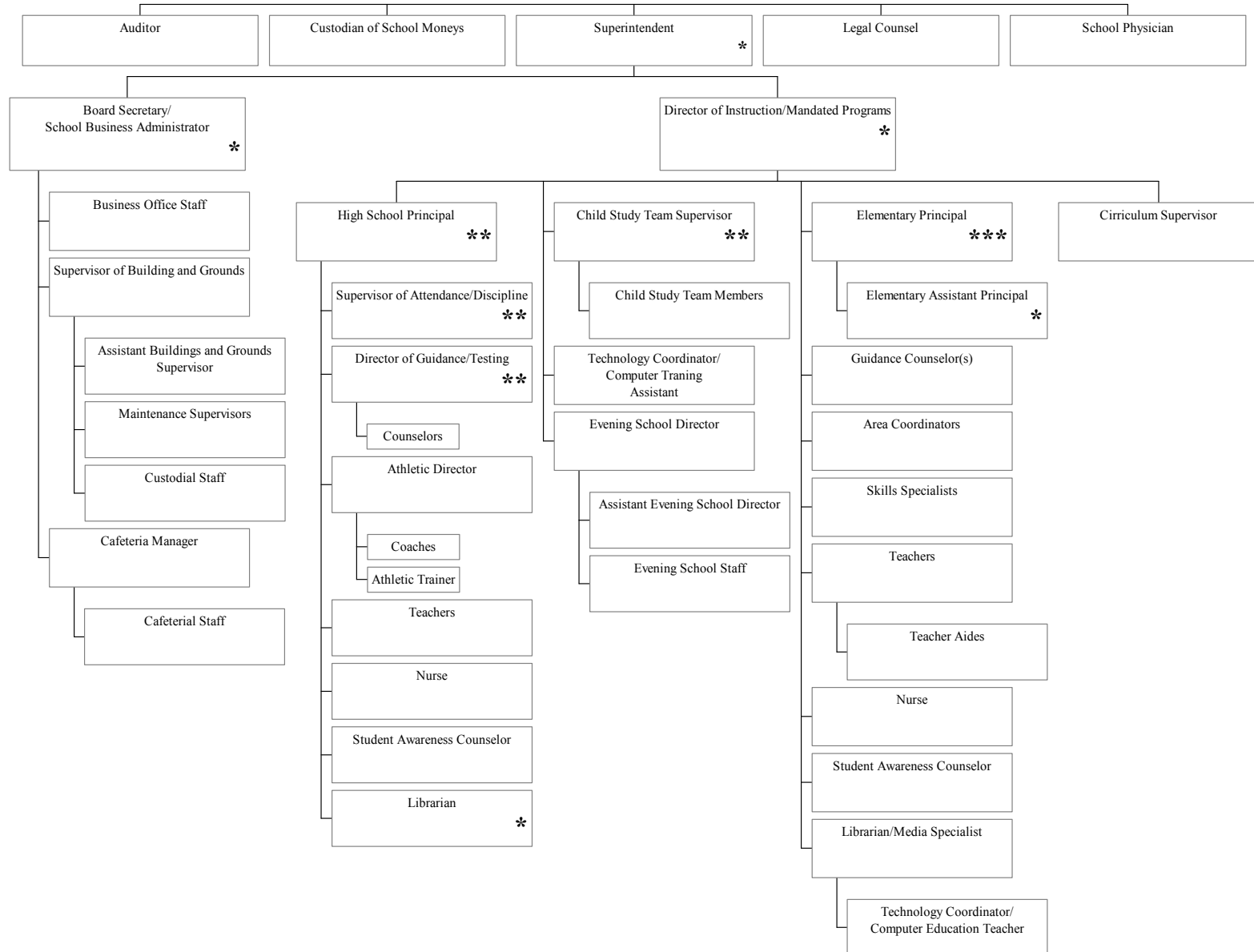
Website address: www.state.nj.us/lgbr

WILDWOOD PUBLIC SCHOOLS

ORGANIZATION CHART

SEPTEMBER, 2000

BOARD OF EDUCATION



* indicates the number of secretaries